The China Weekly

REVIEW

密勒氏評論報

A Weekly Newspaper Established in 1917

Japan's "Duck" Diplomacy Likely to Cause Further Flare-Up in China

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Has Japan also Defeated China in Inner-Mongolia? . . . . . By Walter Bosshard

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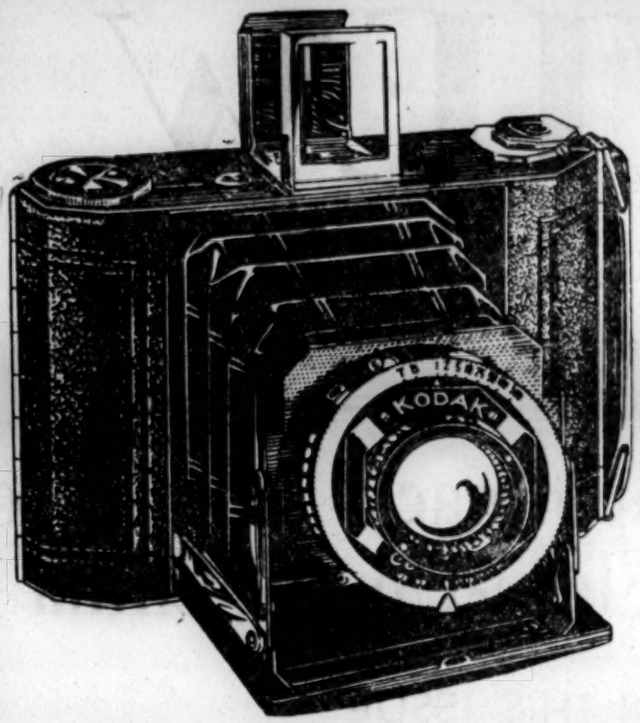

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YEARLY SUBSCRIPTION, FIFTY-TWO ISSUES, TWELVE DOLLARS (CHINESE CURRENCY) IN ADVANCE. POSTAGE INCLUDED IN CHINA AND JAPAN. IN THE UNITED STATES AND FOREIGN COUNTRIES EIGHT DOLLARS U. S. CURRENCY. REMITTANCE FROM OTHER COUNTRIES THAN CHINA AND THE U. S. CAN BE MADE BY INTERNATIONAL MONEY ORDER. ENTERED AS SECOND-CLASS MATTER IN THE CHINESE POST OFFICE AT SHANGHAI IN MAY 1917.

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CONTENTS OF PREVIOUS ISSUES OF THE CHINA WEEKLY REVIEW MAY BE FOUND IN THE "INTERNATIONAL INDEX TO PERIODICALS." COPIES OF WHICH ARE ON FILE IN MOST STANDARD LIBRARIES.

COMMUNICATIONS PERTAINING TO SUBSCRIPTIONS OR ADVERTSING IN CHINA OR ABROAD SHOULD BE ADDRESSED TO THE CHINA WEEKLY REVIEW AT 160 AVENUE EDWARD VII, SHANGHAI, CHINA, TELEPHONE 14741. CABLE ADDRESS "REVIEWING SHANGHAI."

ARE THEY TURNING MANCHURIA INTO A JAPANESE DOMINION?

WHILE world attention during the week was centered on the elaborate Togo funeral ceremonies in Tokyo other events of far greater significance apparently were taking place in Hsinking, capital of Manchukuo. The events were concerned with the visit of Prince Yasuhito Chichibu, younger brother of the Japanese Emperor, to "Emperor" Kang Teh of the puppet state. Although officially labeled a "good-will" visit, the fact that Prince Chichibu traveled from Japan to Dairen on the naval cruiser Ashigara and was provided with Yen 204,377 for expenses indicated that it was more than a pleasure trip. Of course nothing is known, outside the inner-circles of the Tokyo General Staff, as to what developments are on schedule while Prince Chichibu is in Manchukuo, but the visit has provided the Chinese newspapers in north China with an abundance of material for speculation. Reports circulated by the Chinese *Asiatic* news agency and published in the *Peiping and Tientsin Times* on May 28 alleged that the Japanese Kwantung army is planning to take advantage of the visit of Prince Chichibu to bring about some fundamental changes in the status of the puppet state leading in the direction of dominion status. The initial step will be the reorganization of the Commandant's headquarters into the "vicerovalty" of Manchuria, a position which may be filled by the former Minister of War, General Sadao Araki. The second step will be the enlargement and expansion of the power of the viceroy, giving him full control over all military, diplomatic, educational, financial and industrial affairs in China's former northeastern provinces. The third step will be the abolition of the puppet state, the curtailment of the authority of the Manchukuo administration and the transferrance of power to the viceroy. The fourth and final step will be the cancellation of the Manchukuo set-up and the pensioning of Pu Yi and his entourage. According to the Chinese report, the shadow of these impending events has caused a panic among the puppets, a panic which has been aggravated by the rumors which are current that Pu Yi is seriously ill of typhoid fever and that other officials, including Tsang

Shih-yi, are also seriously ill. Then finally there is the rumor that Prince Chichibu may be made viceroy in view of the fact that he is the idol of the Imperial Japanese Army which is now in complete control of Manchukuo.

That the Japanese recently have taken steps to remove the "mask" of Manchukuo was indicated in reports from Harbin, Moscow and Tokyo early in the week pertaining to protests over the recent Russo-Japanese shooting incidents on the Amur. A *Reuter* report from Harbin on June 3 stated that in future all protests to Russia would be handled by Japan directly, instead of filing them through Manchukuo as formerly. This report was later confirmed by messages from both Moscow and Tokyo stating that diplomats of Japan and Russia had discussed the question directly without reference to the puppet state. Other nations, doubtless, will follow a similar plan in future, hence there probably will be little further use for the Manchukuo foreign minister. As a matter of fact that Chinese puppet has never taken his job seriously, spending most of his time at the Hosigaura beach hotel at Dairen and only going to Hsinking once a month to receive his pay check.

These developments at Hsinking have synchronized with other developments in other parts of Manchuria which indicate a tightening of the administration. Beginning in the last week of May the Kwantung army inaugurated intensive drives, accompanied by airbombing raids in the Chientao district of Fengtien and Kirin provinces fronting on Korea, and in the Chinchow district of Fengtien province, the object being to annihilate the last remnants of Chinese resistence to Japanese control. The Japanese raid in the Chinchow district was particularly severe being accompanied by the airbombing of some twenty Chinese towns and villages which allegedy were entirely destroyed and some 1,000 persons killed. Chinese reports claimed that these raids were made in retaliation for farmers' refusal to surrender their arms to the Japanese invaders.

Also, there has been an increase of Japanese military activity in the eastern section of Chahar province which is aimed at extending Japanese influence in Inner-Mongolia, while at the same time the Japanese garrisons along the Great Wall, particularly at Shanhaikwan, have been greatly increased. The object here is to force through the Japanese demands for resumption of postal and rail communication which is scheduled for consummation shortly, regardless of Nanking's action or lack of action. Unless there is some unexpected development it will not be many days before the trains of the Japanese government-owned and military-controlled South Manchuria Railway will be operated directly into Tientsin and Peiping. With strong Japanese garrisons at Tientsin and Peiping and smaller detachments at intermadiate stations along the line from Shanghaikwan southward for protective purposes, and with Japanese trains being operated directly into Chinese territory, it should not require much imagination on the part of the Chinese to realize the ultimate outcome. Tientsin and Peiping will be reduced to a status which previously prevailed in Mukden and Changchun and the destinies of that important section of north China will be at the mercy of the Imperial Kwantung army.

TROUBLE IN THE FAR EASTERN MASONIC LODGES

BRETHREN of the fraternal order of Ancient, Free and Accepted Masons, of whom there probably are several thousand of various nationalities and races in the Far East deserve great credit for having kept their domestic troubles out of the newspapers. However, it apparently was inevitable that the complications which have developed over the organization of Amity chapter in Shanghai should be brought to public attention because the issue has now become worldwide due to the split which has developed between the Grand Lodges of Massachusetts, Scotland and England on one side and the Grand Lodge of the Philippines on the other. Extensive reports on the subject have appeared in Masonic journals of wide circulation in England, America and the Philippines and at least one pamphlet bearing on the dispute has been issued. But before referring to the cause of the complications, a report of which appeared in *The China Press* on June 5, it might be well to reprint the first paragraph of a 15-column historical description of Freemasonry which appears in the *Encyclopaedia Britannica* (Vol. 2, eleventh edition):

> "According to an old 'Charge' delivered to initiates, Freemasonry is declared to be an ancient and honorable institution: ancient no doubt it is, as having subsisted from time immemorial; and honorable it must be acknowledged to be, as by a natural tendency it conduces to make those so who are obedient to its precepts . . . to so high an eminence has its credit been advanced that in every age Monarchs themselves have been promoters of the art, have not thought it derogatory from their dignity to exchange the sceptre for the trowel, have patronized our mysteries and joined in our Assemblies . . . For many years the craft has been conducted without respect to clime, colour, caste or creed."

Since members of the order have refused to comment on the fundamental cause of the complications it is necessary to depend upon the newspaper reports. But briefly the trouble apparantly developed over the organization of a new chapter in Shanghai known as Amity Lodge, which applied for a charter to the Grand Lodge of Massachusetts. Amity Lodge is composed of both foreign and Chinese members as also is Sinim Lodge which was organized here several years ago. For some reason, however, the application was rejected by the Massachusetts group, whereupon Amity Lodge applied to the Grand Lodge of the Philippines and was granted a charter. Later other chapters were organized at Nanking and Canton, also containing foreign and Chinese membership, which likewise were granted charters at Manila. Allegedly as a result of this independent action on the part of the Grand Lodge of the Philippines, the older jurisdictions in America, Scotland and England took action disbarring the Philippine group, and also the three chapters in China which are under the Manila

jurisdiction. The Irish lodge apparently has remained aloof from the controversy. Without any further information than that contained in the newspaper report, we imagine the real cause of the trouble is based on nationalistic rather than racial grounds for according to the true precepts of the order it is universal in its appeal "without respect to clime, colour, caste or creed." Undoubtedly there is significance in the fact that the Grand Lodge of the Philippines, which apparently is dominated by Filipinos and Chinese, although also containing Occidental membership, has taken the lead in the extension of the order in the Chinese Republic. In a sense the split between the Manila group and the Occidental groups coincided with the coming into effect of the Philippines independence enactment of the U. S. Congress. Also, it probably is a fact that the move to further extend Masonry outside of the Chinese coastal ports which are dominated by foreigners, coincided with the Chinese nationalist movement.

It probably will be surprising to many Americans that Masonic lodges have existed in the foreign ports on the China coast longer than in many parts of the United States. The first lodge in Shanghai was established by Englishmen in 1844 and the second by Americans in 1863. The Grand Lodge of Scotland had a chapter here in 1864, while the Irish chapter was established considerably later or in 1919. The first Masonic lodges in the Philippines were established in 1898 following the American occupation. All of these older lodges were established by Occidentals and for many decades their membership while international from the standpoint of foreigners, did nevertheless not include natives of Oriental lands. In this respect they were somewhat in the position of the foreign clubs in Shanghai and even the municipal council of the International Settlement, all of which barred Chinese. But Chinese who had become members of the Masonic order in Occidental lands returned to their native country, hence the inevitable happened; they were eventually admitted to the Occidental lodges here, or at least some of them. Also, it was inevitable that there should be a desire on the part of the Chinese membership, and also some of the foreigners, to extend the benefits of the order to those in other cities, particularly in Nanking, the seat of the National government, at Canton, the metropolis of South China, and at Peiping in north China. But, as occurred in the foreign clubs and the municipal administrations of the foreign ports, there were some foreigners who objected and thus the complications began and grew to a point where they have caused a split in the international organization. Sifted down to its essentials it probably would be found that the chief trouble is with a few irreconcilables or "die-hards" who have been out of the current of modern world developments so long that they do not realize that fundamental changes have occurred which must be recognized. At any rate the trouble is unfortunate for all concerned for fundamentally it is contrary to the precepts of an order which is supposed to be worldwide in its appeal and universal in membership without regard to race, creed or colour. Any serious attempt on the part of the older chapters here or their head offices in the West to block a reasonable extension of the order in the Orient cannot but have a disastrous effect in its reactions upon the relations of Occident and Orient. Rather than object the brethren of the older chapters should cooperate in the extension process to the end that established principles may be maintained and the benefits made available to all men of good character "without respect to clime, colour, caste or creed."

How Britain Has Made Her Share of the Boxer Fund Pay Dividends

AFTER the foreign powers had suppressed the Boxer Rebellion in 1900 they assessed against the Chinese Government and the Chinese people an indemnity amounting to Tls. 450,000,000 or approximately $330,000,000 in U. S. gold currency. While the Indemnity was assessed against China in a lump sum and China was compelled to pay it off from her customs revenues which were placed under foreign (British) administration for that purpose, the amount actually was apportioned to the various nations somewhat in accordance with the losses they claimed to have suffered either in prestige or property. These amounts, according to a list published in the 1933 *China Year Book* were as follows:

Country	*Percent*	*Taels*	*Foreign Currency*	
Germany	20.01	90,070,515	Mk.	278,166,423.93
Ausria-Hungary	.88	4,003,920	Kr.	10,394,092.40
Belgium	1.88	8,484,345	Fr.	31,816,293.75
Spain	.03	135,315	Ps.	507,431.25
United States	7.31	32,939,055	Dol.	24,440,778.81
France	15.75	70,878,240	Fr.	265,793,400.00
Great Britain	11.24	50,620,545	£	7,593,080.19
Portugal	.02	92,250	£	13,837.17
Italy	5.91	26,617,005	Lire	99,803,768.75
Japan	7.73	34,793,100	Yen	48,950,891.74
Holland	.17	782,100	Fl.	1,404,651.60
Russia	28.97	130,371,120	Rls.	180,084,021.44
Norway and Sweden	.01	62,820	£	9,423.00
Sundry	.03	149,870	£	22,450.10

On December 28, 1908 President Theodore Roosevelt of the United States decided that the indemnity assessed against China was out of all proportion to losses suffered and accordingly recommended to Congress that G. $11,961,121,76 be remitted too China. This was somewhat less than half of the total accruing to the United States. In appreciation of this friendly gesture, China agreed to use this sum in sending students to the United States for special training in American colleges and Universities and a special school, Tsing Hua College, was established in Peiping

for the purpose of providing preliminary training for these students. On July 16, 1925, the remainder of the American portion of the indemnity was returned to China, the sum outstanding being G. $12,545,438.67. In this instance it was specified that the amount remitted must be used for "educational and cultural activities," and a joint board of ten Chinese and five Americans was established for the purpose of administering the fund. The board is known as the China Foundation for the Promotion of Education and Culture A serious attempt was made at the time by the American Chamber of Commerce in Shanghai to induce the American government to deduct from the fund sufficient to pay certain American creditors of the Chinese government for defaulted obligations, but this proposal was rejected by the State Department.

When the World War came on in 1914, China was granted a 5-year vacation on her Boxer payments in exchange for her declaration of war on the Central Powers and her further agreement to drive the Germans and Austrians out of China. China also took advantage of the opportunity to suspend all Boxer payments to both Germany and Austria. Czarist Russia did not agree to a suspension of her Boxer payments in 1914 along with the other Allies, but when China and the Soviets resumed relations on May 31, 1924, the U. S. S. R. voluntarily renounced its portion of the Indemnity, it being mutually decided at the time that the money should be used "for the promotion of education among the China people."

With the exception of Japan, the other nations, including Britain, Belgium, Netherlands, Italy and France, have also taken steps to return their portions of the Indemnity to China for uses mutually decided upon as satisfactory. A considerable part of the French Indemnity was used for the purpose of rehabilitating the Banque Industrielle de China which had gone bankrupt with serious losses to Chinese depositors. As for the Japanese there never has been any clear-cut statement as to what they ultimately intend to do with their portion of the Indemnity which amounted to Tls. 34,793,100 or Yen 48,950,981. 70. In March, 1923 the Japanese government promulgated a law for the stated purpose of "promoting Japanese cultural works for China," and in accordance with which the sum of Yen 3,000,000 was appropriated for education, art, sanitation, charity and other works "calculated to promote culture in China." Part of this sum apparently was used for the construction of a "Laboratory of Natural Science" at Shanghai and a library in Peiping. Some of this money also apparently has been used for financing the education of Chinese students in Japan and in defraying the expences of exchange professors between the two countries. But this only accounts for Yen 3,000,000 out of a total fund of approximately Yen 49,000,000 which is still outstanding and which China has continued to remit to Japan in monthly installments, even since 1931 and despite the seizure of the Northeastern provinces and the death and destruction caused by Japanese air-bombers in the undeclared war of 1932.

When the United States returned to China its share of the Indemnity there naturally was hope that the gesture would have a moral effect on the policies of other nations. This proved to be the case but while the U. S. A. (also the U. S. S. R.) surrendered the indemnity outright, with no strings attached except a sort of gentleman's agreement on China's part that the money would be devoted to educational and cultural purposes, the other nations concerned immediately began to consider measures that would be of more practical benefit to both parties concerned, but particularly to the nation surrendering the Indemnity.. Of the various schemes adopted, that of Great Britain has proved the most successful for it has resulted in large expenditures of Chinese capital in England which has been of tremendous benefit to British industries during the depression, and at the same time it has resulted in China's obtaining much needed materials for her railways and communications services as well as other projects. In one respect the British plan of Boxer refund has been so successful as to cause apprehension among some of Britain's competitors that they will be permanently barred from participation in China's future railway construction. This has been the cause of serious complaint, particularly among American suppliers of railway equipment, that the British plan has had the effect of creating a practical monopoly for British interests in this particular field of Chinese industry.

According to the account in the last edition of the *China Year Book* the British Government notified China in December, 1922 that it had decided to devote the remaining share of the Indemnity (amounting to approximately £11,-000,000) to purposes "mutually beneficial to both countries." In this connection a commission was sent to China for the purpose of investigating the matter. This commission recommended the creation of a joint board of Britons and Chinese for administrative purposes; that the Indemnity fund be divided into two parts, one for making annual grants and the other for the creation of an investment trust; that immediate expenditures be made on various projects including agricultural education, scientific research, medicine and public health, other educational purposes; that the investment fund be devoted to three alternative projects, railway construction, river conservancy and investment in securities so that the resulting income might be devoted to educational and other grants. This report was made sometime during 1925 when Liberal and Labor influence was predominant in English home politics, hence there developed considerable controversy over the recommendation, particularly from commercial and industrial interests which were closely affiliated with the Conservative Party. The result was that no further action was taken until 1930 when Sir Miles Lampson negotiated an agreement with the Nanking Government whereby China agreed "to apply the bulk of the funds to the creation of an

endowment to be 'subsequently' devoted to educational purposes by investing the said funds in the rehabilitating and building of railways and other productive enterprises in China . . . such investments to be regarded as loans bearing interest and providing for eventual amortization." This agreement also provided for the creation of two joint boards of administration, one in China and the other in England. China also agreed that all orders for materials purchased from the Indemnity fund "would be placed in the United Kingdom." Also, it was agreed that two special appropriations be sent aside for immediate use, one amounting to £265,000 for the University of Hongkong and £200,000 for the education of Chinese students in England and the defraying of expences for exchange lecturers between the two countries.

It is this plan which is now in operation, and which, as stated in the foregoing, has been so fruitful of orders for railway materials and industrial equipment in England during the period of the economic depression. According to recent reports of the Board of Trustees and the Purchasing Commission in London which have appeared in various British journals, the following summaries pertaining to outstanding amounts, loans advanced and materials purchased indicate the present status of the enterprise:

Amounts Expended or to be expended:

March 1931 to February 1932	£596,481
March 1932 to February 1933 Holiday by arrangement.	
March 1933 to April 1934	695,894
May 1934 to Dec. 1940 to be paid about	4,076,540
1941 to 1945 about	2,065,635
1946 about	596,481
Total about	£8,031,031

Loans already granted by the Board of Trustees up to end of April 1934:

(A) Ministry of Railways.

	Cash Loans $	*Material Loan* £
1. Nanking Pukow Train Ferry	580,026.38	170,598. 6.11
2. Canton-Hankow Railway: Surveying Expenses of the Chuchow Shaokwan Section	176,000.00	
Nanking-Shanghai-Ningpo Railway Material Loan (on a/c of Chuchow Shackwan Section)		27,779. 5. 8
Engineering Expenses Shaokwan Lochang Section	700,000.00	
Loans under Consolidation Contract for the completion of Canton Hankow Railway	5,200,000.00	27. 3. 3
Purchase of Materials on a/c of Canton-Shaokwan Section		27,473.18. 0
Hunan-Hupeh Section		115,708.11. 5
3. Tientsin-Pukow Railway		250,641.16.10
4. Kiaochow-Tsinan Railway		112,344. 6. 9
Total	$4,656,026.38	£704,574. 8.10

(B) Hanchow-Kiangshan Railway.

1. Purchase of Materials		127,921. 1.11
		£127,921. 1.11

(C) National Construction Commission.

1. The Enlargement of the Nanking Electricity Works	100,000.00	121,297.14. 7
2. Rehabiliting the Power Transmission Lines of Nanking Electricity Works	100,000.00	
Total	$200,000.00	£121,297.14. 7

(D) Hwangho Flood Relief Commission.

1. Repairing of Dikes along the river	200,000.00
Total	$200,000.00

(D) Huai River Conservancy Board.

1. Conservancy Works	232,466.67	27,396. 5. 8
2. Excavation of Chang-Foo River	112,924.08	
3. Building of two locks at Huaiyin & Szuiyang	180,000.00	
4. Building of two locks at Huaiyin & Szuiyang	200,000.00	
5. Building of two locks at Huaiyin & Szuiyang	60,000.00	
6. On account of Ministry of Communications: Sino-British Radio Station		34,184. 6. 6
Telegraph Sets & Long Distance Telephone Instruments		23,986.18. 5
Total	$785,390.75	£85,567.10. 7

(F) Kwangtung Conservancy Board.

1. Repairing of Dikes at Chin Tung & Chin Si along the West River	200,000.00
Total	$200,000.00

(G) Ministry of Industry.

1. The Establishment of the National Machine Works	103,033.00	351.10. 0
Total	$103,033.00	£351.10. 0

Above shows the loans actually paid out. There are many projects which have either been decided upon or being considered, they include the following:—

1. A Sterling Loan of £1,500,000 for the compeltion of the Canton-Hankow Railway.
2. A loan of $9,000,000 for the Hwei River Conservancy Commission.
3. A loan of £360,000 for purchasing steamers in Great Britain for the "China Merchants."
4. A material loan of £200,000 for a Nine Provinces Telephone Net work on account of the Ministry of Communications.
5. A material loan of £160,000 fro a bridge across the Chien-Tung River.

Purchases in England in 1933:

The number of contracts placed by the Commission during the year was 89 involving approximately £300,000. The amount paid on materials including freight, insurance

and Inspection Fees during the year was about £310,000 making a total expenditure since the Commission commenced to operate of approximately £1,060,000.

The most important contracts made during the year were, in round figures:

Rails and Fastenings: £36,000 for Ministry of Railways.

Radio Station: £46,000 for Ministry of Communications.

Train Ferry Dredger: £8,000 for Ministry of Railways.

Locomotive Cranes: £10,500 for Tientsin Fukow Railway.

Plant for Tsishuyen Power Station: £16,000 for National Construction Commission.

Armoured Telephone Cable: £9,000 for Ministry of Communications.

High Speed Telegraph Apparatus: £13,000 for Ministry of Communications.

Steel Wagons: £19,500 for Hangchow Kiangshan Railway.

Rails and Fastenings: £57,000 for Hangchow Kiangshan Railway.

Locomotives: £30,000 for Hangchow Kiangshan Railway.

Passenger Car Underframes: £12,500 for Hangchow Kiangshan Railway.

Purchases in Detail

Schedule of Purchases Orders executed January 1, 1933 to December 31, 1933:—

For the Ministry of Railways, P.O. No. 1, rialway carriages, locomotives, water tanks at £41,763 13 6; P.O. No. 4, steel wire rope at £27 3 3, P.O. of Train Ferry, of train ferry, locomotive, dredger, bridges at £66,111 12 9, total of £107,902 9 6.

For the National Construction Commission, P.O. No. 28, H. V. testing equipment, at £383 8 11; P.O. No. 30, plant for Tsishuyen Power Station, at £15,661 5 11; P.O. No. 31 & 31a, protective equipment for transmission lines at £894 11 4; P.O. No. 23, electrical precision instruments, at £599 0 7, total of £17,624 6 9.

For the Ministry of Communications, P.O. No. 1, radio station and armoured telephone cable, at £34,184 6 6; P.O. No. 2, high speed telegraph apparatus, batteries, telephone sets, motor generator sets, galvanised iron wire, at £23,986 18 5; total of £58,171 4 11.

For the Hangchow Kiangshan Railway, P.O. No. 1, steel angles and plates, galvanised iron wire, telegraph instruments, telephone sets, porcelain insulators, copper wire, centrifugal pump and engines, railway wagons, permanent way materials and equipment, locomotives, passenger car underframes, at £127,921 1 11, total of £127,921 1 11.

The total funds held by the Commission at the end of 1933 amounted to £3,206,503,3.6.

The income derived from interest on bank deposits, dividends from investments, plus profits £7,741.7.3, realised on investments sold during 1933, amounts to £91,080.2.2. The book appreciation of investments held by the Commission at December 31, 1933 is £61,056.1.1.

Beyon dthe sale of investments at opportune moments, no investment operations have taken place.

Payment of the current instalments of the Indemnity Fund which was due to recommence as on the March 1, 1933, were restumed in June, 1933.

The efforts to arrange facilities for the practical training of Chinese students with British firms are being continued with gratifying results.

The Commission is collaborating with the Federation of British Industries in this matter.

Committees and Staff maintained in England:

Committee on Consulting engineers—Chairman: Sir Ralph Wedgwood; Members: Sir Arthur Balfour, Dr. C. C. Wang.

Finance Committee—Chairman: Sir Basil Blackett; Members: Mr. G. A. McEwen, Dr. C. C. Wang.

During the year the Commission met on eleven occasion.

Board of Trustees—It is believed that the procedure adopted for purposes of co-operation with the Board of Trustees is operating satisfactorily.

Staff—The office staff of the Commission remains the same as the previous year, viz: director, secretary, Chinese assistant, accountant book-keeper, shorthand typist, and shorthand typist and general clerk.

The work of the Commission has been carried out satisfactorily and efficiently by all concerned.

Auditors and accounts—Messrs. Price Waterhouse & Co., continue to audit the accounts of the Commission.

Consulting Engineers—Messrs. Sandberg & Messrs. Fox & Mayo continue to act as consulting engineers to the Commission. Mr. C. F. Mayo of the latter firm made a tour of China in the early part of the year.

Sir Alexander Gibb & Partners and Sir J. H. Biles & Co. have also continued to act in connection with the Nanking, Pukow Train Ferry purchases.

Sir J. H. Biles & Co. have been further engaged as Naval Architects in connection with the order for Coasting Steamers for the China Merchants Steam Navigation Co.

First Educational Grant

The first definite appropriation from the British portion of the Indemnity for educational purposes was made by the Board of Trustees on June 1 of this year according to a *Reuter* report from Nanking, which was as follows:

"Three years have elapsed since the formation of the Board of Trustees for the Administration of the Indemnity Funds remitted by the British government. In accordance with the resolution of the Central Political Council and the notes exchanged between the Chinese and the British governments the funds under the control of the board are to be employed to establish an endowment for the rehabilitation of railways and other constructive works in the form of loans, while the interest of 5% on the loans is to be used for the subvention of educational and cultural enterprises.

"The aforesaid interest funds, up to June 30 this year, amount to $1,337,589.00. The Educational Sub-Committee of the Board of Trustees held a three-day session in the last month and carefully considered, one by one, all the requests for subsidies received from educational and cultural institutions since the inauguration of the board. It was resolved by the said subcommittee that a round sum of $1,200,000 of the interest funds be used as various subsidies in accordance with the regulation governing the disposal of interest of the indemnity funds remitted by the British government, which regulations had been approved by the Executive Yuan, and that an amount of approximately $130,000 be used to form a special reserve fund which will be given for the work of special education. At the 24th meeting of the Board of Trustees, the report of the Educational Sub-Committee was discussed in detail and it was unanimously passed. The approximate amount for disposal and distribution is as follows:

Class A:—1. National Central Museum, 2. National Central Library. To these two institutions a subsidy of $1,500,000 each is granted for constructive purposes and during the present year a sum of $1,500,000 shall be paid each in advance.

Class B:—1. The board shall provide one professorship of $10,000 annually for a period of three years in each of the following six educational institutions: The National Central University, The National Sun Yat-sen University, National Wuhan Universtiy, National Chekiang University, Peiyang Engineering College, and the Central Hygienic Laboratory.

2. Academia Sinica:—A subsidy of $100,000 to be paid in three years is granted for equipment to be used in the manufacture of scientific equipments. $30,000 each in the firts and second years, and $40,000 in the 3rd year.

Buildings For Peiping

3. National Peiping Research Institute: A subsidy of $100,000 for the construction of buildings for its Institute of Physics, and $40,000 to the Institute of Chemistry. The

payment shall be $30,000 each for the first and the second years, and $40,000 in the third year.

4. National Central University: one professorship is granted (See item No. 1).

5. National Sun Yat-sen University: one professorship is granted (see item No. 1) and a subsidy of $120,000 to be paid in three years in equal instalments is granted for construction purposes.

7. National Chekiang University: one professorship is granted (see item No. 1) and a sum of $120,000 to be spread over equally in three years is granted for equipment, $50,000 to its College of agriculture, $35,000 to its College of Engineering; and $35,000 to its Department of Physics in the College of Science.

Yenching Benefits

9. Yenching University: a subsidy of $45,000 to be spread over equally in three years is granted for equipment purposes.

10. Amoy University: a subsidy of $30.000 to be to be spread over equally in three years is granted for the equipment of the science library.

11. National Pei Yang Engineering College: one professorship (see item No. 1).

12. National College of Medicine, Shanghai: a subsidy of $60,000 to be spread over equally in three years is granted for construction purposes.

13. Provincial Siang Yah Medical College Hunan: a subsidy of $60,000 to be spread over equally in three years is granted for equipment purposes.

14. Liaoning Medical College of the Scottish Presbyterian Mission in the Northeastern provinces: a subsidy of $20,000 is granted for equipment purposes.

15. Central Hygienic Laboratory: one professorship is granted (see item No. 1) and a subsidy of $60,000 to be spread over equally in threeyears is granted for equipment purposes.

16. National Compilation and Translation Bureau: a subsidy o f$50,000 to be spread over equally in three years is granted for equipment purposes.

17. Sino-British Cultural Association: a subsidy of $20,000 is granted for construction purposes.

18. China Architectural Association: a subsidy of $20,000 to be spread over equally in two years is granted for subvention of publication.

Scholarships Provided

Class C:—Scholarships for study in Great Britain—$180,000. (nine students sent to England last year. 31 students are to be sent this year, and all expenses for the examination and for the scholarships shall be defrayed from this sum).

Class D:—1. A prize of $4,000 to be given through a contest for the best text book for mass education.

2. A prize of $4,000 to be given through a contest for the best song book for primary schools.

3. A prize of $4,000 to be given through a contest for the best history text book for higher primary schools.

Class E:—1. Special education in the bandit-infested districts in Kiangsi now recovered. An annual subsidy of $400,000 is granted for special education in accordance with the regulations governing the disposal of interest of the indemnity funds for a period of four years. Apart from the subsidy of $262,411 available under this class, a sum of $137,589 from the special reserve fund shall be loaned to make up the sum $400,000.00 for this year.

2. A subsidy of $12,000 is granted for this year to Ninghsia Province for the establishment of the primary school.

3. A subsidy of $12,000 is granted to the Tsing-hai Province for the establishment of one primary school. (The interest fund available under class E is approximately $288,000. Apart from the above three subsidies there is a balance of $1,589 which is deposited to form a portion of the reserve fund).

Interest: $1,200,000

The interest disposed of under the aforesaid classes amount to $1,200,000, and $137,589 are loaned under the account of the special reserve fund, thus making a total of $1,336,000.

According to the statement of a responsible member of the Board, a total of 121 requests for subsidies were received up to the date of their formal consideration, with a requested amount of over $56,000,000. In view of the great disparity between the interest available and the amount requested, the task of distribution was extremely difficult. Taking into consideration the regulations governing the disposal of interest of the indemnity funds remitted by the British government, and with the actual requirements as well as the degree of urgency of educational and cultural work in China as guiding principles it was decided that subsidies could be more advantageously made along the following lines:

Museum Should Be Completed

1. As Nanking is the capital of the country and could also be the center of culture, the board, basing upon the resolution adopted in its inception, should endeavor to assist the early completion of the Central Museum and the Central Library.

2. The ravages of communist-bandits in Kiangsi have produced desolation and bankruptcy; and in the work of rehabilitation of the districts now recovered, nothing is more urgent than to finance the work of special education in these districts.

3. As a large number of the requests are from institutions of higher education, and as it is not possible to make a wide-spread distribution of funds, the board has, in accordance with the regulations governing the disposal of interest indemnity funds remitted by the British government, paid particular attention to institutions of agriculture, engineering, science and medicine, and those requests accompanied with concrete schemes. In the case of two or more than two requests from the same institution, the more important one is granted by taking circumstances into consideration; for instance in cases where subsidies are given for construction no subsidies are granted for equipment and vice versa.

4. For the development of education and cultural enterprises in the more remote parts of the country, subsidies are granted even when, the requests from these parts do not entirely conform to the regulations and are not accompanied with concrete schemes.

5. In accordance with the resolutions of the 16th meeting of the board, scholarship students shall be annually sent to England for further and advanced studies. Apart from the nine scholarship students sent last year, the board is planning to send this year a group of 31 students, 11 of whom will be the winners of the scholarships offered last year but not awarded. The expenses for examination and for such scholarships have been set aside in advance.

Koreans Attack Revolutionary Comrade Who Deserted Party

A Korean revolutionary who was too radical for his party was brought to the Central Hospital in Peiping recently, seriously wounded. One of his three Korean assailants was arrested and handed over to the Japanese authorities, and the wounded man himself will, if he recovers, be arrested by the local Japanese police, in the former capital. The three conspirators set upon him with huge meat choppers. The motive for the attack was that he had deserted an organization which has as its object the obtaining of independence for Korea. He said in hospital that he had left the party because he could not tolerate the fact that it had become complely fascist in character.

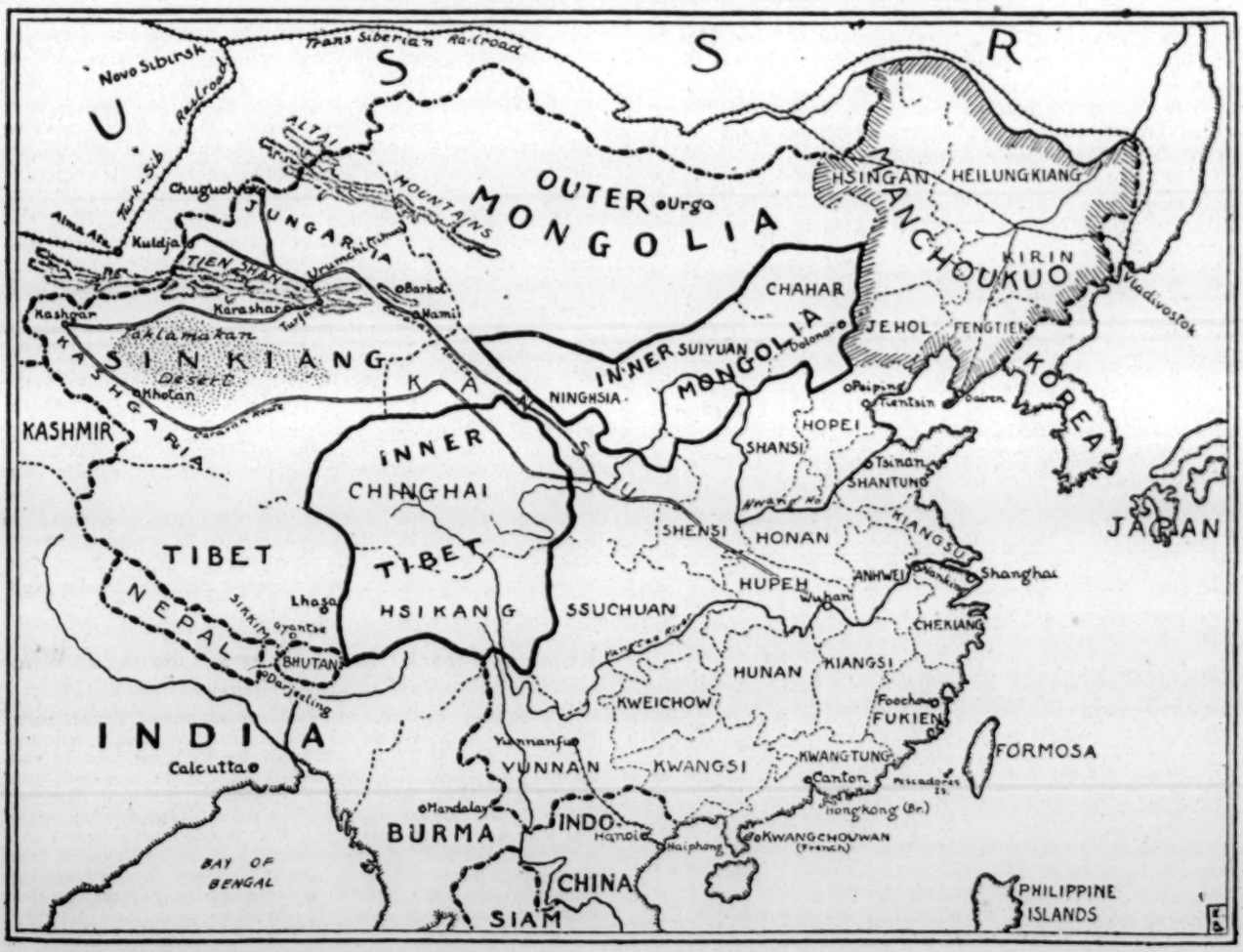
Belated News of Dr. Sven Hedin's Trip Into Sinkiang

Messages received in Stockholm during the week from Dr. Sven Hedin, who is at the head of a scientific expedition across Asia, stated that his slow progress was largely due to the fact that his party was taken into captivity by the rebel General Ma Chung-yin in Sinkiang about the beginning of the year. General Ma seized all of the party's trucks and forced two of his Swedish drivers into service. About Easter time, when Ma was defeated, Dr. Hedin was able to get back most of his equipment. He thereupon resumed his trip, the object of which is to establish a motor road from Sinkiang to the Yellow Sea.

Japan's "Duck" Diplomacy and China's "Leprous" Resistence

THE recent trip of the Japanese Minister, Akira Ariyoshi, to Tokyo for a conference with his home officials has resculted in the coinage of a new term in Far Eastern politics which promises to become as famous as Koki Hirota's reference to "adroit" diplomacy during the recent session of the Imperial Japanese Diet. While in Tokyo Mr. Ariyoshi was quoted in the Japanese newspapers as stating he had advised the Foreign Office to follow a "duck" policy in future dealings with the Chinese government. In explanation of the meaning of this term, Mr. Ariyoshi said that the duck was an aquatic bird to be greatly admired because it always displays a serene and stately mood above water while busily paddling beneath the surface. In this manner the duck makes steady progress. The term so well typified present activities in the relations of China and Japan that it has been referred to in practically all of the recent Chinese editorial comment dealing with the present situation. Several of the Chinese editors, in commenting on recent intrigue with respect to the refunding of the so-called Nishihara loans and re-establishment of the defunct Sino-Japanese Exchange Bank of China have added emphasis to the Ariyoshi statement by explaining that while all appears calm and stately on the surface there is much stirring of the "dirty-water"

THE DISMEMBERMENT OF THE CHINESE REPUBLIC



Regardless of the reasons for China's inability to resist Japanese aggression, whether due to fear of Japanese bayonets or inability to oppose Japan's financial diplomacy, the Chinese people cannot close their eyes to the process of dismemberment of their country which started with the British annexation of Hongkong in 1842, ninety years ago, and recently was greatly accelerated by the Japanese occupation of the northeastern provinces and Jehol and present moves in the direction of Inner-Mongolia and Sinkiang....The above map, reproduced from the April 2 bulletin of the Foreign Policy Association, New York, tells more eloquently than can be expressed by words, the story of the break-up of China. To quote from the report, "Japan's recent conquest of Manchuria and Jehol has rounded out ninety years of territorial losses by China, starting with the British annexation of Hongkong in 1842. During this period China has lost control of roughly 2,400,000 square miles of territory out of a total of nearly 4,500,000 square miles once ruled by the Manchu empire. Of these territories, France has annexed Indo-China; Britain has taken Hongkong, Upper Burma, and Sikhim and dominates Tibet; Japan has annexed Korea, Formosa and the Pescadores, and controls Manchuria and Jehol; and the Soviet Union dominates Outer-Mongolia. While the seizure of Manchuria therefore constitutes merely the latest in a long series of similar episodes, it also has a special significance with respect to developments in the immediate future, for the seizure of Manchuria has had an unsettling effect throughout the remaining outlying territories of China, and may be the prelude to a new era of territorial dismemberment . . . ."

beneath the surface. In this connection one Chinese editor, Kwei Chungshu, declared that present Chinese policy might be likened to a person afflicted with leprosy.... "China has not the strength of character to face death; she prefers to let herself slowly waste away."

The unanimity and frankness of current Chinese editorial comment on the present crisis leads to the conviction that the Chinese authorities will not be able much longer to follow their present policy of gradually "giving-in" to the Japanese in the hope that the Japanese will be satisfied and relieve the pressure. Arguing that Nanking's compliance with Japan's demands for the resumption of railway and postal traffic with Manchukuo will mean nothing more nor less than another Japanese victory "without the firing of a single shot, "Mr. Kwei, who is the editor of the *China Critic*, declared that Japan's present objectives are fourfold:

> "The first objective in this diplomatic battle is of course dual-fold, and it is nothing other or less than the resumption of through railway traffic and direct postal communication between Peiping and Mukden. Even the vernacular press has made no attempt to dress the naked truth that a settlement of this double-phased problem may be reached in the immediate future.
>
> "The significance of concession on China's part need hardly be labored. The resumption of both services, however beautifully phrased may be the attendant explanation, will inevitably be construed as a tacit recognition of the puppet state. It is indeed ironical that China, for instance, may venture to establish direct connection with a postal administration which the International Postal Union has rightly and consistently ignored for her sake.
>
> "The second objective is perhaps the restoration of the China Exchange Bank which was instrumental for the conclusion of the notorious Nishihara loans to the Peking government during the Anfu regime. The visit of Mr. Wang Yi-tang to Japan at the present moment is understood to have brought together the officials of the Industrial Bank of Japan, the Bank of Chosen, the Bank of Tai-wan and others to revive this insidious enterprise. The probability of his success is so great that the Chinese ministries of finance and industry have openly admitted their concern.
>
> "Should the bank be resuscitated from the dead past and be placed in the hands of those whose political ascendancy was once attributed to their undisguised pro-Japanese leanings, it would become a powerful channel through which Japan's economic penetration of this country may be consummated simultaneously with her territorial aggrandisement on the continent.
>
> "The third objective is the construction of an airdrome in Tientsin even against the strong protests of its Chinese municipal government. Though the Japanese consul has given his assurance that the airport will not be converted into military use, little reliance can be placed on his ready promise.
>
> "The airdrome, when completed, will answer the same purpose in Tientsin as the Japanese barracks in Shanghai. They will constitute a potential menace in time of peace and serve as bases of military operation in an emergency. They stand as denial of Japan's every profession of friendship for China.
>
> "The fourth objective is the maintenance of Japanese garrisons in Foochow and Amoy. For months the number of Japanese from Formosa to Fukien has steadily increased, and their presence, machinated by Tokyo, is now seized as a plausible reason for Japan to demand the right to station her own military forces for their protection. The Formosans are to Fukien even as the Koreans were to Manchuria, and in both cases Japanese intrigue may be regarded of a like import."

Hollington K. Tong, editor of *The China Press*, in commenting on Ariyoshi's recent trip to Tokyo and the new developments in Japanese policy which are likely to result said that Japan is now trying to accomplish the objectives which were outlined in the famous Tokyo Foreign Office declaration of April 17 last. Summarized, these objectives are as follows:

> "1. For the sake of the maintenance of the peace of the Far East the Japanese government is willing to share this responsibility with the Chinese government. In view of the adoption of such a policy, the Japanese government will oppose any interference by a third party in the relationship of the two countries and will resent any assistance rendered by a third party which has a political tinge.
>
> "2. The solution of the outstanding questions between China and Japan must precede the development of genuine Chinese-Japanese friendship and the maintenance of real peace in the Far East. If China should display sincerity in her attitude towards Japan, the latter would do her best to help solve the outstanding questions.
>
> "3. The Japanese government will give friendly advice from time to time in order to foster the growth of a healthy state of affairs in China. The Japanese government will avoid, as far as possible, seeking any settlement of diplomatic issues with the Chinese local authorities, thereby assisting the nationalist government to bring about a real unification, prosperity, peace and order for China it an early date."

This analysis of Japanese policy from the Chinese angle more or less confirms statements which have appeared in the American press to similar effect that Japan would not be so bold as to attempt direct interference with the activities of Occidentals in China, but would attempt through military pressure and underhanded intrigue in China to accomplish the same results. In other words, while the Imperial Kwantung army is applying pressure in the north by threatening an invasion of the Peiping-Tientsin area and even Shantung, Mr. Ariyoshi, the Japanese diplomatic representative is preaching "friendship" for China in his conversations with Nanking officialdom. In this connection we might also quote again the recent advice of Col. Hiroshi Nemoto, former Japanese military attache at Shanghai and now chief of the press section of the Tokyo War Office to the effect that in its dealings with China, Japan should only use her army and her bankers, otherwise bayonets and dollars. "There is no place for political engineering in Japan's dealings with China," declared Col. Nemoto. Mr. Tong, in his analysis of Japan's present policy, put it this way:

> "Irrespective of "waterfowl diplomacy" or any other form of diplomacy to be employed in dealings with China, with the return of Mr. Ariyoshi to Shanghai this week there will be developments in the Chinese-Japanese situation. No matter how skilfully he conceals his government's real China policy, sufficient water has run under the bridge to allow the formation of a good idea in regard to the line along which Mr. Ariyoshi will "work like a waterfowl."
>
> "Having failed to secure the world's acceptance of her hegemony policy as embodied in the Amau statement, Japan is now directing her attention Chinaward, fortified in her conviction that if she can make China bend her knee she cares not a whit for adverse international opinion. Her general tactics as learned from various sources are too apparent. Mr. Arioshi will continue his "waterfowl diplomacy" while the Kwantung army will

resort to "tiger diplomacy" which means the constant threat to use force in effecting first the settlement of the questions in North China and then in attempting the solution of other problems. But what will be China's attitude toward these double tactics?"

Dr. Hu Shih, China's outstanding philosopher,who edits the *Independent Weekly*, published in Peiping almost within the shadow of the Great Wall where the Imperial Kwantung army is massed, has not permitted this factor or the more serious activities of a miscellaneous crowd of pro-Japanese Chinese traitors to interfere with his vigor and eloquence in denouncing Japanese policy. In a recent article in his widely read paper, Dr. Hu Shih declared that there can be no friendship between Japan and China so long as the puppet state of Manchukuo is permitted to stand between the two countries. Instead of trying to solve the other problems, Dr. Hu demanded that the National government courageously attack first of all the problem of Manchukuo and keep at it until that issue is settled as was the Shantung problem at the Washington Conference. The following paragraphs express his straight-forward views:

"We have repeatedly said that the Japan of today can never be our friend. With our territory invaded and our people insulted, we see no way for us to be friends of that country. We have also said: The creation of 'Manchukuo' has severed all the links that connect the relationship of the two countries, rendering irremediable the hostility of the one for the other. No explanation for such a state of affairs is needed. It is merely a question of the sentiment of an ordinary man. Do people know that peace in Europe can only be founded on the restoration of friendly feelings between France and Germany? With the obstacle to the resumption of friendly feelings unremoved, it is not humanly possible for the two European countries to be again on cordial terms.

"It is the Japanese militarists and not China who have broken the peace of the Far East. The work of the Japanese militarists during the last two years and a half is tantamount to the digging of a trench of ill-feeling that separates China and Japan. They have unfortunately compelled the Chinese who formerly loved Japanese culture and respected the Japanese race to tread the path of hatred. We frankly confess that this trench of ill-feeling at present cannot be filled up. We doubt whether a superman endowed with the greatest wisdom and political ability could accomplish this well-nigh impossible task.

"We admit the soundness of the Japanese viewpoint that the settlement of the Chinese-Japanese outstanding questions must necessarily precede the developmnt of Chinese-Japanese friendship and the maintenance of peace in the Far East. But we would like to ask: Is Japan really sincere in wishing a settlement of the outstanding questions? Since Japan has proposed that all the questions that are now pending with China should be settled, we must point out that those questions must include that of 'Manchukuo,' which should be first tackled. If this first question is incapable of solution, the settlement of other pending questions would not be enough to remove the existing ill-feeling between the two countries.

"Mr. Tang Erh-ho, former minister of education, who recently returned to China after a tour of Japan lasting more than one month, in an article in the Independent, quoted a certain important Japanese statesman as having said: 'If the Chinese at this time should ask the Japanese government to return to them Manchuria, there is not a single Japanese who is in a position to give an affirmative reply. Even if I again enter the political arena, I cannot do it either.' If all the Japanese leaders, either playing an important part in Japan's political affairs at present or living in retirement, hold the same view on the Chinese-Japanese situation, all Japanese talks about the desirability of the settlement of the outstanding questions are designed to cheat people. And also all Japanese talks about the restoration of friendship between China and Japan are conceived in deceitfulness.

"We urge our diplomatic authorities to accept the Japanese proposal for direct negotiations to settle the outstanding questions which on his return to China this time Mr. Ariyoshi is expected to make, but we should plainly and firmly insist that the 'Manchukuo' question should be first solved. In dealing with this question we should employ the same tactics used in connection with the Shantung question. Whether be it in Paris, Washington, Geneva or any other place, we must demand that the Manchurian question must be solved ahead of other questions. If our government adopts such a policy, we will not oppose direct negotiations between Japan and China.

"There is another matter of grave importance to which we wish to draw the attention of our authorities. According to rumors in extensive circulation, the Kwantung army at the recent Dairen conference expressed dissatisfaction with the present state of affairs in 'Manchukuo,' and proposed that these four northeastern provinces of China should be placed entirely under Japanese military rule. If these rumors should prove true, they mean that the Japanese militarists want to convert the puppet state into a Japanese colony. We urge our government not to fail to pay close attention to these reports.

"In our dealings with Japan or with the world we must insist upon bringing the Manchurian question to the fore. Naturally our enemy does not wish us to talk about the question. How can we obediently refrain from referring to it? At any discussion at any hour on any day we must introduce the Manchurian question as a subject for consideration. We should go up to the roof of the house and cry for a settlement of the question at the top of our voice. We cannot forget our 30,000,000 brethren living in the temporarily lost land because the Japanese want us to forget them. Nor can we allow them to be maltreated by the Japanese militarists."

Aside from these statements by China's outstanding publicists who are in a position to express their independent views, the local Chinese newspapers, despite the censorship imposed by the military authorities, have been equally outspoken in analyzing Japan's true objectives which are gradually being accomplished as a result of the activities of Minister Ariyoshi and the horde of other Japanese emissaries which have been dispatched to this country. The *China Times*, one of the leading Shanghai newspapers, forecasted that Ariyoshi would first propose direct negotiations and when his demands prove unacceptable to China, the Kwantung army will then apply further pressure in the north. Among the questions which Ariyoshi is expected to raise in his discussions with Nanking officialdom are the following, which should be preceded with the explanation that China already has opened direct radio communication with Japan after withholding action on this important matter for more than three years:

1.—A reduction of Chinese tariff rates.
2.—Enforcement of technical co-operation between China and Japan.
3.—Consolidation of old Japanese loans.
4.—Establishment of air lines between the two countries.
5.—Full co-operation between China and Japan for the development of Shantung and Fukien.

Through Traffic Arrangement with "Manchukuo" May Further Estrange Nanking-Canton Relations

HIGH LIGHTS IN THE EVENTS OF THE WEEK:

1. *Through traffic issue almost settled despite Nanking denials.*
2. *Canton-Nanking split seen over rail traffic arrangement.*
3. *Japan maps out program of conquest in North China.*
4. *Rival Japanese and British intrigues in Sinkiang.*
5. *Tibetans reported renewing armed activities on Chinghai Border.*
6. *Nanking Armies capture more Red cities.*
7. *General Chiang Kai-shek returning to Nanking shortly.*

Despite denials by high officials in Nanking, reports persist that arrangements have been made for the resumption of through rail traffic and postal communication between North China and Manchuria to come into effect middle of this month. According to the *Hua Pei Jih Pao* in Peiping on June 1, the following terms have been agreed upon between Japanese and Chinese authorities during their recent conference at Peitaiho:

1.—That locomotives of the South Manchuria Railway be used for through trains on the Peiping-Mukden Railway.
2.—That the railway stations at Mukden and Peiping shall continue to sell tickets as far as Shanhaikuan only.
3.—That an international travel agency shall be organized to handle through passenger and freight traffic between Peiping and Mukden and other related matters.
4.—That the question of the number of through trains to be run each day shall be decided by a technical conference, which is to be held at Peiping.
5.—That the rolling stock of the Peiping-Mukden and Shanhaikuan-Mukden Railways may be exchanged.
6.—That there shall be separate accounts for through traffic so as to facilitate settlement of accounts and division of the revenue.
7.—That the through trains shall not hoist any flag or post any proclamation.
8.—That separate railway guards shall be organized for the two sections of the railway, namely the extramural section and the Peiping-Shanhaikuan section.
9—That Chinese and Japanese railway guards shall be employed in the international travel service which shall have its headquarters at Shanhaikuan with barracks at Peiping, Tientsin and Mukden.

⁂

While certain arrangements have been made for the handling of the through railway traffic between Peiping and Mukden and the resumption of postal communications between China proper and "Manchukuo," the Central Government has so far made no decision on these matters, declared Wang Ching-wei, President of the Executive Yuan and concurrently Minister of Foreign Affairs, in an exclusive interview with *China Press* June 1.

Without the approval of the National Government, the Executive Yuan chief added, any agreements on the railway and postal issues now and then reported reached between Chinese local authorities from Peiping will remain only paper schemes.

The Executive Yuan head emphasized that there has been no change in China foreign policy. Even when it becomes absolutely necessary to solve the problem of resumption of railway traffic and postal communications in the North, he pointed out, such solutions will essentially be based on the principle of respect for China's territorial sovereignty as in keeping with China's original foreign policy.

Mr. Wang deplored the criticisms of certain elder statesmen of the Southwest, taking the rumors about the Sino-Japanese situation in North China as their ground of attack on the Central Government. It is very unfortunate, Mr. Wang said, that these veteran members of the Party have been fault-finding with the National Government but have never co-operated with the Government on solid grounds.

In a statement to the press June 3, President Wang Ching-wei emphatically repudiates the report, released by a certain news agency the previous day, of an interview alleged to have been granted by him on the 1st inst. on the question of the resumption of railway and postal communication with Manchuria.

The interview as reported contains a number of errors, and misrepresents President Wang's views in various respects. Reports of interviews with him in the future must first be submitted to President Wang for perusal and approval before release, the statement says.

⁂

"The Chinese Government has not entered into any negotiations with Japan vis-a-vis the postal question regarding Manchuria nor has it considered any measures in the light of the general principles recently adopted by the League of Nations at Geneva on postal transit through Manchuria," declared a spokesman of the Ministry of Communications on May 30.

With regard to the three general principles relating to the postal question determined by the Advisory Committee of the League of Nations on May 16, they are merely technical measures formulated to meet the needs of the various foreign countries. Strictly speaking, he said, these principles are in the nature of recommendations and are not binding.

According to the *Sin Wen Pao* June 4, Ariyoshi, the Japanese Minister, is now maintaining a "watchful waiting" attitude towards China and will not do anything until the resumption of through railway traffic on the Peiping-Mukden Railway has been put into effect. When that issue is settled, the Japanese Minister will start negotiations with China for the settlement of all outstanding issues between the two countries, including the consolidation of old Japanese loans. It is said that the total amount of loans owed to Japan by China amounts to no less than $900,000,000, most of which were contracted during the last days of the Manchu Dynasty and the first few years of the Chinese Republic. The Nanking Government has persistently refused to recognize such debts but the Japanese are planning to coerce China into recognizing them.

According to information from usually reliable sources, direct negotiations will soon begin between General Huang Fu and Japanese Minister Ariyoshi in Shanghai within the next few days. The first issue to be settled between the two countries will be the question of resumption of traffic on the Peiping-Mukden Railway. As preliminary negotiations regarding the issue have already been completed, the matter could be settled between General Huang and Mr. Ariyoshi without much discussion.

A bomb was discovered in the garden of General Huang Fu's residence on Route Ghisi on June 2, it is reported in Chinese papers. The bomb was found near the kitchen door of the residence and appeared to have been deposited or thrown there the previous evening. It was wrapped in a silk handkerchief and was found by the cook. The French Municipal Police were notified and found that the explosive had deteriorated from age and lost power of explosion.

Ying Tung, Managing-Director of the Peiping-Mukden Railway, has secretly arrived in Shanghai from Nanking to discuss with General Huang Fu regarding measures for the resumption of traffic on the Peiping-Mukden Railway, according to *Sin Wen Pao* on June 4.

Tang Yu-jen, Vice-Minister of Foreign Affairs, arrived at Shanghai on May 31. He called on General Huang Fu and discussed with him the matter of resumption of through rail traffic between North China and the occupied Territories of the Northeast.

According to a *Rengo* report in the *Japan Advertiser*, talk of a fresh outbreak of the anti-Japanese movement in China is prevalent in Shanghai following reports that a new organization, calling itself the Grand Anti-Japanese

Union, has been formed for the professed purpose of interfering with a solution of pending problems between Japan, China and Manchukuo regarding North China.

It is understood that the Union, which is chiefly composed of students of the Whampoa Military Academy, the Anti-Japanese Blood and Iron Party and six other groups, have already drafted a declaration which is expected to be made public shortly. The movement is said to have the cooperation of students in Shanghai, Hankow and Kwangtung.

Alleged subversive activities in Japan of Wang I-tang, leading member of the defunct An Fu clique, have aroused strong opposition from the Nanking District Party Headquarters. The Executive Committee of the Party Headquarters has decided to petition the Central authorities, urging the arrest and punishment of Wang I-tang in view of his notorious conduct in the past and his present suspicious movements in Japan. Mr. Wang is now conferring with Japanese bankers for the re-opening of the defunct Sino-Japanese Exchange Bank at Tientsin.

Canton-Nanking Split Seen Over North China Issue

The question of resumption of through railway traffic between Peiping and Mukden is threatening to breed fresh misunderstanding between the Central Government and the Southwestern authorities.

In view of the current rumors in Canton, the Central Government has appointed General Huang Shao-hsiung, Minister of Interior, to proceed to Canton to explain to leaders there the Governnment's attitude vis-a-vis Sino-Japanese issues and the latest developments in North China, according to a *China Press* special telegram from Nanking June 2.

Concern is still felt in Chinese circles in Canton over possible developments in the Sino-Japanese situation in South China in view of the forthcoming Japanese Consular Conference at Formosa, according to a *Reuter* report on May 30. In spite of the Japanese denial that the Conference will discuss political questions, the apprehension has not been allayed that Japan intends to extend aggressive activities to the South.

The Chinese press in Canton claims that a number of secret Japanese agents have entered Swatow and are engaged in similar spying activities as Japanese agents in Amoy.

A rather sensational report has also emanated from Chinese sources to the effect that the Japanese have succeeded in persuading a number of Chinese fishermen along the Chinese coast to become Japanese subjects and receive Japanese protection. A number of Chinese fishing junks are said to be flying Japanese flags. The authorities are asked to make a thorough investigation of the matter and to take necessary steps to stop spying and subversive activities by foreign nationals.

In view of the persistent report that Japanese Ronins are plotting to create disturbance in Swatow, General Chen Chi-tang, Commander of the Kwangtung Provincial Forces, has ordered the 17th Corps of the Kwangtung Gendarme Force to be transferred to Swatow to strengthen the coastal defence, according to *Chekiai* agency. Units of the Corps are under instructions to reach their assigned post before the middle of the current month.

Wild rumors suddenly came into circulation at Amoy on June 2 to the effect that the Japanese would capture the city on the day. Later the rumors were found to be groundless. The Amoy people were panic stricken and the situation assumed a more serious aspect when the Amoy authorities were bombarded with telegrams from different parts of the country making inquiries into the matter.

It is reported that the Japanese Minister will soon bring up to the Chinese Government the question of maintaining Japanese police at Foochow and Amoy in Fukien so as to enable the Japanese to exercise control over the Formosans in that province. The report cannot as yet be confirmed in official circles.

Formosans in Amoy have reached the total of 30,000, according to an investigation conducted by the Japanese Consulate there. In addition, there are many others who are without passports or fail to report to the Japanese Consulate of their presence. The presence of so large a number of Formosans in Amoy has created a serious problem for the local Chinese authorities.

Accompanied by three Formosans, a Japanese named Yano was found taking pictures of the new aerodrome at Wushih and Hoshan in Fukien May 27. The camera and the films were seized by the police.

A dozen Japanese were found surveying and drawing maps of Kulansu May 28.

Japan Maps Out Program of Conquest in North China

It is learned from certain quarters in Peiping that Japan's plan of encroachment upon North China is now taking definite shape and four areas have been mapped out for occupation at different stages. The first area to claim attention comprises of Charhar, Suiyuan and Inner Mongolia. The second area includes Kansu, Ninghsia, Chinghai and Shensi. The third area is Sinkiang, while the fourth area consists of Hopei and Shansi. In view of its strategic importance due to territorial proquinity to Soviet Russia the Japanese are said to be paying special attention to Sinkiang and in order to bring it under Japanese influence, they are plotting to create a socalled Eastern Turkish Republic in that province. As regards their plan to occupy Hopei and Shansi, it is said, the Japanese prefer to delay its execution because of the prevailing unfavorable international situation.

To further their aggressive designs on North China, the Japanese military have completed erection of a large military aerodrome at Hsiapancheng, near the Jehol-Hopei border, occupying an area of 240 *mow* or approximately 40 acres.

Situated near both Hsifengkow and Kupeikow, two of the major passes of the Great Wall, the new aerodrome will be employed by the Japanese as a base of operations for their air forces, thereby providing a new menace to North China.

Interviewed on the present situation in Jehol June 1, Lt.-Col. Shibayama, Assistant Military Attache to the Japanese Legation at Peiping stated:

"Development of our two main railway lines, from Chaoyang to Chihfeng and Chaoyang to Chengteh, is proceeding, but there are no immediate plans for linking Chengteh and Dolonor by rail. The roads leading westward are, however, being improved for automobile traffic. The situation on the Jehol Charhar frontier remains quiet. In general, I expect the settlement of the through traffic problems to ameliorate the relations between Japan and the North-China authorities."

Negotiations which have been under way for some time between Yin Ju-keng, administrative inspector for the Miyun-Chihsien area and the Japanese military authorities in Tientsin concerning the despatch of the 8,000 newly-organized special police to the demilitarized zone are making no appreciable progress, according to information from local Chinese sources.

The Japanese are still raising objection to the size of the new force, saying that the special police now in the war zone numbers not more than 8,000 men and also are opposed to the new force carrying into the area weapons other than rifles.

Concerning the recent incident at Luanchow in which Japanese troops opened fire on the local militia and carried away two members of the Chinese force to their headquarters, it is reported that Tao Shang-min, administrative inspector for the Luantung area, is negotiating with the commander of the Japanese troops at Tangshan for the release of the two Chinese captives.

General Banzai, former Japanese military adviser to the Chinese Government and now member of the House of Peers of the Japanese Imperial Diet, arrived at Peiping on May 28.

Interviewed by Chinese pressmen, General Banzai said that the purpose of his present trip to China was to renew his touch with Chinese affairs and had no political significance. He added that the present feeling of insecurity in North China was due to the nonsettlement of the various questions pending between China and Japan.

Concerning the Exchange Bank of China, General Banzai said that both Wang Yi-tang and Lei Shou-yung had been staying in Tokyo negotiating with the Japanese banks concerned for the reopening of the Bank. He was interested in seeing the Bank reopened as he was one of its depositors.

Rival Japanese and British Intrigues in Sinkiang

According to a special dispatch from *Harbin* to the *Peiping Chronicle* on May 19, a congress of all Turko-Tartar Mohammedans was recently held in Kobe under Japanese patronage. The congress opened its session on May 9 and remained in sitting for almost two weeks. It was attended by nearly forty delegates, including those representing Mohammedans in Harbin and Peiping. The main question to come up for discussion is said to be the organization of a central organ, which would direct all political, cultural, and religious activities of all Tartars, Turks, Bashkirs, Uzbecks, Kirghizes Sarts, etc., now living in exile, and scattered all over the East, and a considerable number of whom is said to be living in 'Manchukuo," Japan, and China, and especially in Chinese Turkestan. The dispatch states that it cannot be definitely ascertained whether there are delegates from the tribes of Chinese Turkistan, but it is known that the majority of delegates have come from Japan and "Manchukuo."

The conference is being attended, it is said, by national leaders of "all" Turko Tartars, Abdul-Rashid-Hasret Ibrahim, an exiled Turk, and Abdul-Kerim, protege of Japanese military circles designed to play an important role in Chinese Turkistan, and son of Abdul-Hasret-Ibrahim. The old Abdul Rashid is a person of considerable fame in the Moslem world, being a staunch champion of the "oppressed." Mohammedan tribes in Russia.

Among other celebrities attending the conference is M. Kurbangali, a recognized leader of Turko-Tartars living in Japan, and G. Iskhaki, a publicist and playwright of considerable fame in the Moslem world.

The ultimate object of the congress is the establishment of an Islamic Kingdom made up of certain districts of Sinkiang Province and Russian Turkestan.

The Harbin correspondent of the *Review* writes that the recent congress of all Turko-Tartar Mohammedans, convened at Kobe, and attended by delegates from Manchukuo and Japan, resolved to convene another congress in the Autumn of this year, which would also include delegates from China proper and Sinkiang Province. It was resolved to keep the central national organ of all Turko-Tartars in Japan, also "to adopt in Mohammedan schools the best that can be adopted from Japanese education and culture."

Vying with the Japanese in intrigues in the coveted territory of Sinkiang, British agents are also active, plotting the creation of the so-called "Eastern Turkey Empire" in Sinkiang. According to a *China Press* dispatch from Peiping on June 1, the establishment of such an empire in the Kashgar districts has been decided at the recent conferences held between Khalid Sheldrake, Briton, self-styled "Moslem King," and a number of Mohammedans recently arrived at Peiping from Sinkiang.

Mr. Sheldrake, who has been putting up in the Grand Hotel de Pekin since his arrival in Peiping on May 22, was stated to have removed to a certain house in the legation quarter in order to shun public attention.

The Mohammedan leaders in Sinkiang were recently ushered into the presence of their socalled "King of Islamistan" by a Briton named Simpson, it was learned from well-informed circles.

A *Reuter* message from Simla, May 9 reports that the Tungans have captured Yangihissar, 44 miles southeast of Kashgar, in the course of further fighting in Chinese Turkestan. After killing the Amir of Nurahmad and many others, they advanced and occupied Yarkand, south of Kashgar. On April 20 they started in pursuit of the Kao-jamahaji forces, who had withdrawn without fighting after arresting Sabit Damella and other prominent personages who desired to make peace with the Tungans.

The position of the Tungans in the Kashgar area vis-a-vis the provincial authority in Urumchi and their attitude to the Nanking Government remains most obscure.

According to private messages from Tihua at Peiping, May 31, situation in Sinkiang is returning to normal following the conclusion of an armistice between General Shen Shih-tsai, Garrison Commander of Sinkiang, and General Ma Chung-ying, the opposition Mohammedan general. According to the arrangements made the Mohammedan troops are to be transferred to southern Sinkiang and General Ma will refrain from interfering with the civil administration in Sinkiang. General Ma will also assume full responsibility for wiping out the rebel government at Kashgar. Both sides are reported to have accepted the agreement.

General Chin Shu-jen, formerly Chairman of Sinkiang Provincial Government, who is on trial at Nanking District Court, was taken from the Detention House to the Central Hospital. General Chin is suffering from an ulcer on the back.

Tibetans Reported to Be Invading Chinghai Border

In identic telegrams to the Executive Yuan and the Mongolian and Tibetan Affairs Committee on May 31, General Ma Lin, Chairman of the Chinghai (Kokonor) Provincial Government, states that the Tibetan authorities have concentrated a strong force at Lhassa with the evident intention of invading Chinghai. Feeling is also running high among the Tibetan troops along the Chinghai Tibetan border.

As a precautionary measure, two infantry regiments of the Chinghai forces have been put on the construction of highways in southern Chinghai so as to facilitate communications

On May 27, the Government received a telegram from General Ma Pu-fang, garrison commander of Chinghai, saying that the Tibetan government, after having been refused the demand to occupy four districts of Chinghai, are sending large forces to the border with the intention of occupying the four districts by force. General Ma requests the Government authorities to restrain the Tibetans from taking military action.

A representative of various public organizations in Sikong who arrived in Nanking May 28 has submitted a petition to the Government. The Sikong public bodies complain that the Central authorities have ignored their interests and they request that a responsible high commissioner be sent to Sikong immediately to organize an efficient local government in that province. The petition also requests that funds be raised for the relief of the famine and war refugees in that province. In conclusion, the petition declares that the Panchen Lama should be requested to return to Tibet at once so as to effect a fundamental solution of the Sikong-Tibetan dispute.

General Huang Mo-sung, Special Commissioner of the National Government to Tibet, has arrived at Kanchi, midway between Changtu and Tatsienlu, Capital of Sikong according to a *Chekiai* telegram Nanking. The Tibetan authorities at Lhassa, the telegram states, have dispatched a party of high military officers to Kanchi to welcome and escort him to the Tibetan capital.

The telegram adds that the situation in Tibet is quiet and the Tibetan authorities are waiting with eagerness for General Huang's arrival.

A *Rengo* telegram from Simla on May 30 to the *Japan Chronicle* reports of the guesome murder of Lungshar, former Commander-in-Chief of the Tibetan Army. First his eyes were put out and then he was slain.

Lungshar enjoyed the confidence of the late Dalai Lama.

The murder was apparently the result of intrigue by the new party which has been gaining power in Tibetan politics since the Dalai Lama's death.

Nanking Armies Capture More Red Cities

Liencheng, "Red" stronghold in western Fukien, was occupied by the 9th Government Division under General Li Yen-nien on June 1, according to an Amoy despatch June 2.

Liencheng had been "sovietized" for more than six years. It was captured by the 19th Route Army last year, but was reoccupied by the marauders six months later.

The capture of Liecheng will greatly facilitate the Government campaign in Fukien as there are now only four cities, Mingki (Kweihwa), Tsingliu, Ninghwa and Changting, still in the hands of the Reds.

Yuchu, the base of operations of the "Reds" under Kao Yung-sheng between Tungku and Sinhsui, north-western Kiangsi, has been jointly captured by the 19th and 50th Hunan Divisions under General Ho Chien.

Units of the 2nd Column of the Southern Route Bandit-suppression Forces under General Li Yang-ching have cap-

tured Pankiang, Paifou and Lotien, three strategic points north of Chumenling in southern Kiangsi, since the beginning of the month. Another Government division, advancing northward from Pangku, has occupied Chingki. General Chen Chi-tang has ordered the launching on the 15th inst. of a general offensive against the "Red" bandits entrenched at Huichung, south-eastern Kiangsi.

Chengyu, a city on the northeast of Fukien, has been captured by Communists. The Communists are now increasing in number and they are menacing the districts of Futing and Hsiapu in northern Fukien. The situation in that region is reported to be precarious.

According to *Chao Jan Pao*, Hongkong, General Chiang Kai-shek has recently sent additional ten aeroplanes to Fukien to strengthen the Government air force in that province. At the same time, three divisions of infantry have been ordered to proceed to Fukien to reinforce the land forces.

To establish closer contact with the Southern Route Bandit-suppression Forces during the last stage of the campaign, General Chiang Ting-wen, Commander-in-Chief of the Eastern Route Bandit-suppression Forces, has despatched General Chiang Po-cheng, member of the Peiping Branch of the Military Affairs Commission, to Canton to confer with General Chen Chi-tang concerning the enforcement of the economic blockade and other important matters.

The Communists under Ho Lung have resumed their activities on the Szechuen-Kweichow-Hupeh border, according to a Chungking telegram on May 28. With the support of the bandits on the border districts, the Communists have succeeded in capturing several important towns and cities on the border of the three provinces and they have already established a "Soviet Government" in that region. The Reds are now moving steadily towards Chikiang and Nanchuan. Reports are in circulation to the effect that the Reds on the Szechuen-Kweichow border are making preparations for an onslaught on Chungking.

The Communists are still holding Tungkiang, where no less than 70,000 men are massed. They are now making an effort to break through the seige by concentrating an attack on the 4th and 5th routes of the Szechuan provincial forces.

Under orders of General Chiang Kai-shek, General Yang Hu Chen, Pacification Commissioner of Shensi, has mobilized his troops and they are ready to move southward to assist the Szechuen forces in suppressing the Reds in northern Szechuen.

After conferring with General Chiang Kai-shek at Nanchang, General Ho Chien, Chairman of Hunan, has returned to Changsha. He will presently proceed to the Pingsiang-Lienhua sector along the Kiangsi-Hunan border to take charge of operations against the "Reds" in his concurrent capacity as Commander-in-Chief of the Western Route Bandit-suppression Forces.

Several important "Red" officers have surrendered with their arms to the 16th Division under General Peng Wei-jen of Hunan Bandit-suppression Forces. They consist of the so-called Chief-of-Staff to the 17th "Red" Division, the Principal of the "Red" Military Academy and the Chairman of the Yungsin (western Kiangsi) Soviet Government.

The Peace Preservation Conference for the eight provinces of Kiangsu, Chekiang, Fukien, Honan, Hupeh, Anhwei, Kiangsi and Hunan was opened by General Chiang Kai-shek, President of the Military Affairs Commission, June 1 at Nanchang. In addition to the Directors of the various Provincial Peace Preservation Bureaux and Commanders of the Peace Preservation units in the various areas, the officers of the Provisional Headquarters of the Military Affairs Commission were present.

General Huang Shao-hsiung to Calm Southerners

Genreal Huang Shao-hsiung, Minister of Interior, has petitioned the Executive Yuan for two months' leave of absence in order that he may pay a visit to his native home in Kwangsi. During his absence, Kan Nai-kuang, Vice-Minister of Interior, will take charge of the affairs of the Ministry.

It is understood that General Huang will represent the Central Government to exchange views with Generals Chen Chi-tang and Li Tsung-jen. He will call on Hu Han-min at Hongkong before proceeding to Canton.

The provincial authorities of Kwangsi, Yunnan and Kweichow are suggesting to the Central Government that a Kwangsi-Kweichow-Yunnan Pacification Office should be established with General Li Tsung-jen of Kwangsi as the Chairman. The Commission shall have three sub-commissions with one in each province with Generals Pai Tsung-hsi, Lung Yun and Wang Chia-lieh as directors in Kwangsi, Yunnan and Kweichow respectively. The Government is now considering the matter.

In view of the critical situation in South China, General Chen Chi-tang has telegraphed to General Pai Chung-hsi of Kwangsi urging him to come to Canton immediately for a personal conference regarding the existing situation, especially after the resumption of hostilities in Kweichow. It is learned that General Pai has accepted the invitation and is coming down to Canton early in June.

The remannnts of the once famous 19th Route Army under General Tsai Ting-kai are now being recruited by the Kwangsi military authorities and these are being reorganized into one regiment. The regiment will be placed under the direct command of General Li Tsung-jen and the rceruits will soon be sent to Kwangsi for training purposes, according to *Chao Jan Pao* in Hongkong on May 26.

Press reports that eight regiments of Yunnan Provincial forces are assisting General Yu Kuo-tsai in attacking Kweiyang, provincial capital of Kweichow, are denied by General Lung Yun, Chairman of Yunnan, in a telegram to the Central Government.

A similar denial has also been made by General Wang Chia-lieh, Chairman of Kweichow.

The South-west authorities are said to have determined to cultivate the friendship of the British and French in Hongkong and Annam respectively in view of the aggressive activites of the Japanese in the South and their threatening attitude in Fukien. As a demonstration of good will, the French Governor-General of Annam is planning a visit to Kwangsi early in June as a return call to General Li Tsung-jen, who visited Annam sometime ago at the invitation of the French Governor.

It is reported that the Canton authorities are negotiating with a certain foreign country for a loan of $10,000,000 for the purpose of establishing steel works factory in Canton. The question of security having not been decided, the Power concerned is reported to be demanding special privileges in certain mining interests in Kwangtung.

Peiping Papers Observe Tangku Armistic Anniversary

May 31 being the first anniversary of the signing of the Taku Armistice, the leading newspapers in Peiping published editorials on the day, reviewing the situation since the conclusion of the Sino-Japanese hostilities last year. The papers express resentment at Japan's continued armed activities in North China despite the Agreement.

The Peiping *World Daily News* points out that the Armistice is merely a provisional measure and lacking quality of permanence. It notes with particular concern Japanese economic agression on North China and opposes the reopening of the Exchange Bank of China.

The explosion of a bomb at the Japanese police station created a tense situation in the Japanese Concession in Tientsin on May 29. Window panes and other articles in the station were smashed to pieces, but no one was injured. The explosion occurred when the officers were removing some contraband contained in trunks.

Reports having been received to the effect that the Japanese have organized an Inner Mongolia mission for "sight-seeing" in Charhar and Suiyuan, the Mongolian and Tibetan Affairs Committee has telegraphed to the Mongolian Political Affairs Council at Pailingmiao to instruct the various Mongolian leagues and banners to exercise special vigilance.

General Fu Tso-yi, Chairman of Suiyuan, who arrived at Peiping on June 3 from Shansi, will leave for Nanchang in a week to see General Chiang Kai-shek, President of the Military Affairs Commission, and report to him on the disposal of the rebel troops under General Sun Tien-ying.

(*Continued on page 81*)

Saito Ministry on Verge of Collapse Following Finance Ministry Scandals

MESSAGES from Tokyo during the week indicated that the oft-reported fall of the Saito Cabinet would materialize before the middle of June. It was predicted that Finance Minister Takahashi would resign as soon as a detailed report had been made to the Cabinet by the judicial authorities investigating the scandal involving high Ministry of Finance officials. Premier Saito and Matsukichi Koyama were closeted for thirty minutes on the afternoon of June 2 to discuss the developments in the judicial inquiry into the scandal involving Hideo Kuroda, former vice-Minister of Finance, and several of the higher officials in his department.

Some 5,000 people attended a public meeting organized by the Kokumin Domei and held at the Hibiya Public Hall in Tokyo May 25 by way of arousing public opinion against the Saito Cabinet. Following the opening address by Mr. Kato, the chief manager of the party, a resolution was adopted urging the Government to resign, holding itself responsible for indiscipline and corruption prevailing in all circles, political, official, financial and other. Dr. Koyose and several other members of the party then made fiery speeches vehemently attacking the Government.

Governor General of Korea—a Candidate for Premier

General Ugaki, Governor-General of Chosen, arrived in Tokyo May 31. He is generally reputed to be one of the promising successors to Premier Admiral Viscount Makoto Saito. *Rengo* says his chief object in visiting Tokyo this time was to proceed to the Throne to express his congratulations to Emperor Hirohito of the recent birth of the Imperial Heir and also to attend official discussions of fundamental principles concerning the formation of government budget for the next fiscal year. However it is generally believed that Gen. Ugaki will be willing to take up the portfolio of Prime Minister if it is offered to him.

Dr. S. Washio, writing in the *Japan Advertiser*, May 29, commented :—"The drawback to General Ugaki's chances is that he has never been in the professional political arena. Unlike Baron Hiranuma he is in the favor of the Genro and other high court influences though not to the same extent as Viscount Saito. The drawback to his chances will be, as it was in the summer of 1932, in the opposition within the army, which he once controlled, and this opposition is based on the charge that he sacrificed the interest and independence of the army on the altar of his political ambitions. It was he who helped the successive governments since the Washington Conference down to the Hamaguchi Cabinet to cut army expenditure. It was he who calmed the opposition the army might have made against the navy to the London Naval Treaty. He has also been an object of attack in various secret pamphlets charging corruption. These things proved fatal to the Ugaki boom in the summer of 1932."

Sentence on Son of Viscount Upheld on Appeal

The Tokyo Court of Appeal May 22 upheld the sentence of two years imprisonment with a stay of execution of four years passed on Toshimori Mori, 25-year-old son of Viscount Mori, former member of the House of Peers and chairman of the Tokyo Municipal Assembly, for participating in Communist activities. Judge Ishida characterized the sentence as extremely lenient.

Communist Plotters on Trial in Tokyo

Charged with having plotted to utilize the Manchurian and Shanghai incidents to bring about a world war in which they could operate to establish Communist governments in Japan, 13 radicals have been committed to separate trials in the Tokyo District Court, beginning June 6. Some have announced renunciation of allegiance to the Communist party, others have not. All are charged with participation in the Omori bank holdup and with other activities subsidiary to their Communist program. They will be tried for violation of the peace preservation law, violation of the explosives law, robbery, theft, fraud and forgery of documents. They attempted to rob the bank when their funds became depleted, the police charge.

Professor Shikanosuke Miyake of Seoul Imperial University was summoned May 23 to the Keiki district police office to answer a charge that he had engaged in activities for the re-establishment of the Korean Communist party, which was broken up last fall. Numerous documents were confiscated at his home. Later it was learned that his assistant, Mr. Taichoku, was directly connected with the movement, and Mr. Tai also was detained. Professor Miyake taught economics at the university.

Less than a month after his appointment, Rear-Admiral Sakano, chief of the Bureau for the Propagation of Military Affairs, a Navy Ministry department, was removed June 1 at his own request from his post. His resignation, it was understood, was caused by a press statement made by him the previous day.

Japanese Silk to Have Chinese and Italian Competition in New York

Japanese silk traders are stated to be concerned about a report received from New York that the New York Commodity Exchange is likely to stage Italian and Chinese raw silk despite the opposition by the Importers' Association representing Japanese interests. The United States last year imported 19,250 bales from Italy and 24,732 bales from China. Compared with the total of 459,394 bales of Japanese silk, this is less than ten per cent, but in the event of futures trading in Italian and Chinese yarn being started, it is quite obvious that business will be stimulated, thereby affecting Japanese yarn indirectly.

Paulino Gerli, former chairman of the United States Silk Association, recently told Japanese interviewers in New York, "It is not the fault of the Japanese Government that silk has slumped. Nor is it due simply to the fall of the export trade. The present crisis had its direct cause in the progress of the rayon industry,—a triumph of science." Mr. Gerli said that the most important need to-day is for Japanese farmers and reelers, and the Government as well, to view the position of Japanese raw silk in the international market, and then formulate a fundamental policy.

The International Silk Federation met at Lyons, France, June 1 to discuss protective measures against Japanese competition.

Imports into Japan exceeded exports to the extent of Yen 1,971,000 during the last ten days of May. Exports amounted to Yen 74,788,000 and imports totalled Yen 76,759,000. The total unfavorable trade balance since January 1, 1934, was placed at Yen 134,355,000.

Cotton Spindles Increase in Asia—Decline in Britain

The center of the world's cotton spinning industry is gradually moving to the Orient, a recent Japanese survey shows. The cotton industry in Asia, including Japan, China and India is expanding every year, while that in other parts of the world is gradually getting smaller. The number of spindles installed in Asia by the end of March, 1934, amounted to about 22,853,000, showing an increase of about 553,000 against those existing at the end of June, 1933. This increase is ascribed to the development of the cotton industry in Japan and China. Meantime the number of spindles in Great Britain is decreasing.

Netherlanders Use Import Restricion as Weapon in Parleys

The Netherlands East Indian government has formulated an import permit system and a business restriction act which it is said, if enforced, will render it impossible for Japan to retain even 30 per cent of her present exports,—totalling Yen 150,000,000. The Netherlands Government advised Mr. Taketomi, the Japanese Minister at the Hague, on April 23 that it would postpone the enforcement of the above measures until after the trade negotiations in Batavia. The Japanese newspapers, commenting on the postponement, said this action might give an impression to casual observers that the Hague Government had acted out of courtesy, but the truth was that the Netherlands Government was using it as a weapon in the coming parleys.

Woollen Shares in London Dropping—Fear of Japanese Competition

Fears that the fate of the cotton industry may also overtake the British woollen industry when Japanese competition gets into its full stride have disturbed investors and led to a weakening of the prices of leading woollen shares in England.

Japanese Emigration May Turn to Mexico and Philippines

Although the proposed immigration law in Brazil is so worded as to apply to all nationalities, the Japanese, probably correctly, consider it aimed mostly at a immigration of Japanese. The Department of Overseas recently intimated that even though the emigration to Brazil should be restricted, sutiable places for the settlement of Japanese immigrants can be found in the Philippines and in Mexico.

Foreign Naval Men Pay Homage to Late Admiral Togo

The state funeral of the late Fleet Admiral Togo was held in Tokyo June 5. Memorial addresses by British and American notables expressing their condolences on the death of the late Admiral were broadcast in Japan on said date. High ranking foreign naval officers, dispatched to Japan to attend the funeral of the late Fleet Admiral, were entertained by the Japanese Navy. Admiral Osamu Nagano, commandant of the Yokosuka Naval Base, acted as chief host. The British cruiser *Suffolk* with Admiral Sir Frederick C. Dreyer, commander-in-chief of the China Station, led the fleets of visiting war vessels, which included the U. S. S. *Augusta*, with Rear Admiral F. B. Upham in command, the French cruiser *Primaguet*, with Rear Admiral J. Richard, the Chinese cruiser *Ninghai*, with Rear Admiral Wang Shou-ting and the Italian cruiser *Quarto* with Captain Mario Brivonesi aboard.

Japan Sees Singapore Base as "Menace to Peace"

According to the Tokio *Hochi*, Japan intends to declare that the British naval base at Singapore is a menace to Japan, an obstacle to disarmament, and thus to world peace. It points out that the extension of the British naval base at Singapore will be completed before the opening of the forthcoming second naval conference. Its strength will far exceed that of the Pearl Harbor naval base of the United States, and it is certain to prove a great menace to the national defences of Japan, in *Hochi's* opinion, which continues:

"As a result of this disturbance in the balance of power, Japan at the naval conference will demand the withdrawal of the Singapore naval base or the reduction of its size. As reasons for this demand Japan will cite, first, that the location of the Singapore base is geographically a threat to both Japan and the United States and is likely to cause uneasiness to both nations, ultimately obliging Japan to consider an increase of its defences contrary to the spirit of disarmament. Secondly, it will be stated that the Singapore naval base, being situated only 5 degrees west of the meridian of 110 degrees east longitude, which marks the boundary for the defence zones in the Pacific as agreed upon at the previous conference, is actually a violation of the spirit of the Washington conference and constitutes an obstacle to disarmament and thus indirectly to world peace. Thirdly, it will be asserted that the existing fortifications at Hong-Kong are sufficient for the protection by Great Britain of its sea routes in the Far East. Should the British Government refuse to comply with this demand, Japan will propose as an alternative measure that the base be included in the zone of defences fixed by the Washington conference and that its scale be reduced to comply with the stipulations of the conference. In the event of both demands being rejected, Japan must insist on revision of the naval ratio, because Japan cannot depend upon her defences under the existing 5-5-3 ratio owing to the existence of a threat from two directions—the United States base at Pearl Harbor and British base at Singapore.

Further Details of Latham-Hirota Interview in Tokyo

Further details are printed in the *Japan Advertiser* May 22 of the interview which John G. Latham, the leader of the Australian Eastern Mission, had with Foreign Minister Hirota in Tokyo May 12. Mr. Latham was reported as having said that the most satisfactory feature of the meeting was Mr. Hirota's unqualified assurances regarding the alleged fortification of the mandated Pacific islands. Mr. Latham stated that he discussed with Mr. Hirota Japan's international position, and urged the importance and value of Japan rejoining the League of Nations to help toward solution of the Manchukuo problem. Mr. Hirota asked whether Australia was increasing her fleet, and Mr. Latham replied that Australia plans a replacement of obsolete ships only and intends to have a fleet smaller than the one it had before the year of the Washington treaty. He deprecated suggestions of a menace to Japan in the Australian fleet, or any part of Britain's defense scheme. Instancing the Singapore naval base, he said that it was constructed for the defense of Malaya, India, Australia and New Zealand, just as Japanese naval bases were built to serve Japanese defense plans. Mr. Latham added that what did from time to time cause anxiety in Australia, and in other countries as well, was the report that Japan was fortifying the Marshall and Caroline islands. Mr. Hirota replied that this was absolutely incorrect. Mr. Latham urged Mr. Hirota, for the sake for improving world feeling, to issue a public statement setting out explicitly that Japan has not fortificed, does not intend to fortify and, under mandate terms, is unable to fortify the islands, whether she remains a member of the League or not. Mr. Hirota agreed that this represented Japan's policy and promised to consider the suggestion to make a public statement. Mr. Latham added that there are practically no diplomatic issues between Japan and his country, and Australia's diplomatic matters abroad are being attended to by the British diplomatic representatives concerned. If Australia appointed a Minister to Japan, she might be called upon to dispatch Ministers to other countries also. This question of the exchange of Ministers may well be deferred for future discussion. For the moment, the Australian Government is considering the appointment of a commercial representative to Japan. There are so many candidates for the post that the Australian Government is rather perplexed whom to choose.

Former Consul-General Will Head New Japanese American-Affairs Bureau

Kensuke Horenouchi, until recently Consul General in New York, has been designated as the first chief of the American Affairs Bureau, recently established by the Japanese Government. The American Bureau is divided into three sections. The first deals with the United States, and Canada, the second with Central and South America, including Mexico and Cuba, and the third with passport questions.

Denjiro Kato, Second Secretary of the Japanese Legation in Switzerland, has been ordered transferred to London. Katsutaro Miyazaki, First Secretary at Paris, has been ordered attached to the Embassy at the British Capital.

Foreign Minister Koki Hirota June 2 cabled Ambassador Hayashi at Rio de Janeiro a refusal to accept the latter's resignation. Ambassador Hayashi had expressed his desire to resign, taking the blame for his failure to stem the passage of a bill drastically limiting immigration by the Brazilian Legislative Assembly.

Clandestine Manufacture of Morphine and Heroin in China

The Advisory Committee on Opium of the League of Nations, June 1 adopted a number of reports and resolutions, among which was the report submitted by the United States representative, Stuart J. Fuller, and a resolution proposed a few days previously by Victor Hoo, the Chinese minister to Switzerland, on the cooperation of foreign powers for the suppression of drug traffic in China and on sanctions against foreign vessls carrying narcotics to China, or in China waters. Mr. Fuller's report stressed the point that imports of anhydrous acetic acid can in many cases be taken as an indication of the existence of clandestine heroin plants. Seizures in China and Hongkong, he declared, indicated that there was considerable clandestine manufacture in China of morphine and heroin, coming principally from Szechuen, Shanghai and Peking, with secondary centers in Mukden and Harbin. The extension of clandestine manufacture of drugs was viewed by the Committee as a serious menace not only to China, but also to the rest of the world.

Drug Smuggling by Air

The League of Nations Committee for combatting the illicit drug traffic is engaged in a constant struggle to keep up with the most recent inventions and up-to-date methods of the traffickers. At a recent session, it recommended to the Governments that they should consider the question of combatting the smuggling of narcotic drugs by air.

In a private sitting at Geneva May 31 the Opium Advisory Committee discussed the question of import certificates for Manchukuo. The majority of the Committee, in order to avoid raising the political aspect of the question, favored the retention of the existing system, by which consular permits were used. Sir Malacolm Delevigne, British delegate, maintained that these permits did not offer the same guarantees as import certificates. The Committee then decided that it was not qualified to judge the question of what authority should issue import certificates, and also that the matter would be referred to in a report to the Council.

Kwangsi Resolves to Suppress Opium Evil

The Kwangsi Provincial Government has resolved to take effective measures to rid the province of the opium evil before the end of the year, according to a telegram from Nanning, capital of Kwangsi. Hospitals for the treatment of opium addicts will be established at Nanning and other important cities in the province from August 1. However, levies on opium transported through Kwangsi will continue to be collected during the year.

Orders issued jointly by Shao Li-tzu, Chairman of the Shensi Provincial Government and General Yang Hu-cheng, Director of the Sian Pacification Headquarters, call for the destruction of the opium poppy in eight districts, including Tungkwan and Huayin, in Shensi province.

Following the discovery that a number of teachers in the government primary schools are drug addicts, the authorities in Canton have issued an order prohibiting local school teachers as well as government employees from smoking opium.

Hsia Kee-sun of Shaohsing, a former Frenchtown Chinese special police detective, was convicted last week in the High Court of operating a pill making plant in his home; he was sentenced to three years' imprisonment and fined $4,000.

A consignment of contraband consisting of 3,185 ounces of opium, 2,131 pieces of opium paraphernalia, and a quantity of heroin, was burned in the courtyard of the Nanking District Court June 3. These articles were confiscated during the first three months of the year.

The 95th anniversary of the confiscation and destruction of the historic cargo of opium imported in 1839 into China by British merchants at Canton, which inaugurated the anti-opium campaign under the late Viceroy Lin Tse-hsu, Imperial High Commissioner, was commemorated by the National Opium Suppression Committee at a memorial service at Nanking June 3.

Tchou Pan-sun, manager of the Yu Wou Kung Brokerage Company, was fined $400 in the District Court in the French Concession June 2 for transporting untaxed cigarettes.

The Tragic Case of a Returned Student

BY PAUL K. WHANG (汪仲芳)

AN old Chinese saying has it that unless one has enough to wear and to eat, one can not be expected to have sense to distinguish what is an honor from what is a disgrace. We have a very good case to illustrate the truth of this saying in a dispatch from Nanking which appeared in the *Sin Wen Pao* on May 20, containing the following news:

> "Li Shao-chi, aged 31, a native of Hupeh and a graduate of Chiaotung University, Peiping, and of Columbia University, U.S.A., was arrested by the Nanking Police and charged with traitorous conduct, because he had visited Y. Suma, Japanese Consul-General at Nanking and offered his services to the 'Manchukuo' government. Mr. Li is said to have a profuse knowledge in both Chinese and English. After his return from the States several years ago, he joined the Peiping-Mukden Railway Service and became the master of Liaoning New Station. He held that important railway office until the Japanese invasion of Manchurira. Since then, he came down to Nanking with his family for seeking a new employment. He made repeated applications to the Ministry of Railways and also to the Ministry of Communications, but his efforts were of no avail. Being a poor man, he has had great difficulty in maintaining the livelihood of himself and his family. Seized partly with a fear of starvation and partly with a disappointment at his failure in securing an employment, he solicited the assistance of Japanese Consul-General, hence his arrest."

In reading this news, one can not help entertaining mixed feelings of condemnation and sympathy. It is indeed highly condemnable that a returned student should be so unpatriotic as to offer his services to a puppet state. This despicable case will not only bring disgrace to the person concerned, but will invariably cast a slur on the returned students as a whole. Moreover, it will lend weight to the oft-repeated argument that the returned students, because of their foreign education, generally lack a strong national conscience.

But on the other hand, this case furnishes us with many points for our sympathetic consideration. It must be noted that Mr. Li is not a born "traitor." The mere fact that he left Manchuria right after the Japanese occupation and came down to Nanking to seek new employment bespeaks that he is not a man without a sense of honor. Otherwise, if he had been willing to be the Japanese tool, he could have surrendered himself to the Japanese while he was in Manchuria. Why should he come down to Nanking and offer his services through the Japanese Consul-General at Nanking? By virtue of his good education and his past experience with the Peiping-Mukden Railway, he probably would not find as much difficulty in securing an employment from the "Manchukuo" Government as he had with the Nanking Government.

Patriotism or Starvation?

But he preferred to serve his own country. Thus for more than two years, he made repeated applications to the Ministry of Railways and also to the Ministry of Communications for assistance, but his appeals were not heeded. When one is in a desperate condition, one has to seek all the available means to maintain the livelihood of himself and his family. Thus he has done what others would do under similar circumstances. He has been driven to take such a desperate course, when all other doors of hope have been closed upon him. His sense of honor has given way to his acute feeling of disappointment, and his fire of patriotism has been extinguished by his fear of starvation.

It is really incomprehensible why the government should persistently have left him in the cold and refused to give him a helping hand. It must be recalled that when the Customs Houses and Post Offices in Manchuria were first seized by the Japanese, the government ordered all the Customs and Postal workers to withdraw from Manchuria, and gave them new employments. Mr. Li was also a man in the government service at the time of the Manchurian incident, and therefore he was entitled to the same consideration as had been accorded to other government employees. The fact that he withdrew from Manchuria on his own accord would make him deserve even more consideration from the government.

The government, as a matter of fact, can hardly justify itself in putting him under arrest and charging him with traitorous conduct, because it itself was responsible for driving him to take such a desperate course. Had the government been considerate enough to give him the needed assistance, he would remain a loyal subject to his country. He was anxious to serve his country with what he had learned from a great American university, but he was denied the chance. Pressed by the necessity of making a living, he had to "sell" his services to an alien country where Chinese can also hold government offices. In rejecting his repeated applications and prohibiting him from serving an alien country, the government virtually cut him off from all the chances of making a living in this world.

Therefore the significance of this case lies not in the fact that a returned student should be so unpatriotic as to "sell" his services to a puppet state, but in the fact that the government can not make use of the services of a highly educated man. In our midst, we can find many returned students who, like poor Mr. Li, have good foreign education and technical knowledge, but have been left to rot and rust. Unless one has the support of some influential officials, one can by no means get into the government service. This state of affairs has given rise to an acute sense of disappointment among those who entertained high hopes during their school days.

What is the most pathetic of all is the fact that a large part of our returned students were sent at government expense. One will naturally ask why the government should spend such a great amount of money every year to educate our young men in foreign countries, if it can not make use of their services upon the completion of their studies. It will contribute no good to the country, if the students thus educated at great expense are not allowed to apply their acquired knowledge to practical uses. Neither would it be satisfactory to the students themselves, when they have literally owed the country a debt, but have not been permitted to repay it.

Returned Students May Follow Li's Example

It is feared that many of our returned students who have been acutely disappointed at this deplorable situation will follow Mr. Li's example in offering their services to the puppet state. As I said before, when one is in a desperate condition, one has to seek all the available means to maintain the livelihood of himself and his family. Moreover, the temptation is very strong, as "Manchukuo" has been advertised as being eagerly enlisting the serivces of well-educated Chinese youths. Thus, to use a metaphor, China has sown the seeds, while "Manchukuo" will reap the harvest.

The government, in order to prevent the outflow of our talented men, must give this matter its serious consideration. The fault with the present government lies in the fact that the government officers are appointed not so much because of their qualifications as because of their personal affiliations. Unless competitive examinations can be introduced into the government civil services, and equal and fair chance can be given to everybody, the nonentities with the support of influential officials will continue to manipulate many of the government posts, leaving no room for the promising youths who have received good education either at home or abroad.

China, as a matter of fact, needs very badly foreign educated technical men to develop her natural resources and undertake various reconstruction works. At present, we are not without good technical men, but we do not know how to make use of their services. It often happens that a good engineer has wasted himself in doing clerical work in a business office, and that an experienced chemist has made his living by selling life insurance. They could render great services to the country, if they were given suitable employments.

In conclusion, Mr. Li is but a victim of circumstances. His case, therefore, should be pitied rather than condemned. Instead of arresting him and charging him with traitorous conduct, the government should give him a helping hand, so that he can re-establish himself and become a good and useful citizen to the country. Moreover, what Mr. Li committed can not be said as doing anything traitorous. If he should be considered a "traitor," then how about those high officials, who have either surrendered our territories to our enemy or signed away our rights. If the reports concerning the Sino-Japanese negotiations on the resumption of railway and postal services are true, the Nanking Government will soon give a tacit recognition to "Manchukuo." Then why should the government make such a hue and cry against one, who, because of the livelihood of himself and his family, was compelled to offer his services to the "Manchukuo" Government?

Shanghai, June 4, 1934.

Soviet-Japanese Relations Now Calm on the Surface, but Antipathy Deep-Rooted

BY THE REVIEW'S TOKYO CORRESPONDENT

(Translations from various Japanese publications)

FROM toward the close of last year up to the beginning of March this year all publications freely discussed questions concerning Soviet Russia, so that at one time it was even feared that an outbreak of war between Japan and Soviet Russia was impending. Later, however, the ominous excitement was abated as far as the publications were concerned, for what is called cheap literature gradually became blunted in its argument; soldiers buried their verbal arms; while newspapers became busily occupied with playing accompaniment to the comic play of the Hull-Hirota exchange of greetings and later with questions concerning China.

In this way the topics on the Soviet-Japanese relations have nearly entirely concealed themselves from press circles, save that on the reopened S. M. R. sales discussions. But in the magazine world they still constitute principal articles, infusing in themselves new life by catching hold of new events.

It is especially noteworthy in this connection that it is generally observed that the tense relations between

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Japanese manufacturers, with the advantage of cheap labor, have been underselling the rest of the world, even in their own markets

TOKIO MAY DAY LABOR PARADE 1934
PAY LABOR WAGE SCALES BEFITTING PEOPLE OF A FIRST CLASS POWER
JAPAN MANUFAC ASSOCIA
McCUTCHEON

This cartoon by McCutcheon in the *Chicago Tribune*, based on the May Day demonstrations in Tokyo indicates that Japan's advantage over the West because of cheap labor may soon be on the toboggan.

In this way the topics on the Soviet-Japanese relations have nearly entirely concealed themselves from

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the two countries still lie heavily on the minds of the people in this country, despite the apparent calmness recently brought about on the surface.

As far as the scribe is aware, excepting the following two articles in the *Yomiuri* and the *Tokyo Nichi Nichi* no article worthy of mention has recently appeared in the leading Japanese newspapers.

We Need Not Be Afraid of Soviet Russia

(*By Chuzo Yoshimura* (吉村忠三),-*Gaiko Joho, May 1*)

The *China Weekly Review* in its March 31 issue by stating that Japan, in an attempt to prepare herself against war with Soviet Russia, is ready to advance into Baikal district through Inner and Outer Mongolia, created a great sensation in China. At the same time the Soviet organs pointed out Japan's warlike preparations in Jehol and activities in Inner Mongolia and Chahar district. Although I am unable to assert that there was any connection between the article in the *Review* and the Russian papers, yet in view of Soviet Russia's being engaged in demonstrating as if Japan were immersed in translating her aggressive programs into action, it is not unsurmisable that the Russian side gave suggestion to the *Review*. Whatever may have been the course which led to the publication of such articles, it is true that they are detrimental to the country.

Looking back upon the history of the Orient, we feel as if the peace in China is an abnormal phenomenon created by the oppressive power of heroes and the true form of China's struggle. Likewise, the relations between Japan and Soviet Russia repeat tension and mitigation one after the other, and we wonder which of them characterizes the peace between the two countries. The careful observation of recent movements of Soviet Russia discloses that such questions as the non-aggression pact and the N. M. R. sales proposal are all abnormal cases and that her essential character can be sought in the armament preparation in the Far East and malicious propaganda.

There are some who look upon the rumor of Blucher's being shifted in near future as a forerunner of the Soviets' mitigating her attitude toward Nippon. But the actual power of the army lies in the hands of Voroshileff, and moreover the strongly built Red army is looking forward, like a well fed fighting-dog, to a chance of testing its actual worth before the eyes of the world. Besides, as the head of the Red army will find a chance of rising in eminence above Stalin, the Red army cannot but broadcast the coming of a Soviet-Japanese crisis. Under these circumstances the peace measures between Soviet Russia and Japan are likened to a building erected on the sands, which a casual gust of wind would easily cause to collapse.

Soviet Russia approaches Japan clad in sheep-skin, making herself appear like a gentleman, but the removal of the thin outer garment will disclose a fierce rivalry of power characteristic of the country. Therefore, it is of vital importance to the Japanese to keep themselves at all times informed of the actual state of the national strength of the country. Japan's policy toward Soviet Russia must necessarily be founded on the correct valuation of the undisguised strength of Soviet Russia.

The domestic conditions in Soviet Russia are worse than we possibly imagine. As an evidence we may mention the conditions of the railway transportation efficiency and facilities and the food supply, which has vital bearing upon the welfare of the Red army. (The writer points out in scientific detail that (1) the Siberian Railway can never guarantee its transportation efficiency of foodstuffs for more troops than are now stationed in Siberia and that the inhabitants in the Far East, if left in the existing state, would feel increasingly the lack of foodstuffs; (2) in the number of cases of damage to the railway equipment Soviet Russia has no parallel in the whole world (3); no systematic distribution of the locomotives is made; (4) it is not merely the locomotives but also carriages that are mercilessly damaged or burned, and this shows how unsympathetic the railway employees are toward the Soviet regime; (5) the most important of all is the question of the railway. It is even said that three years' use of the Siberian Railway will wear out the material in the same degree as the American railways' use in thirty years; (6) in consequence of Soviet Russia's wrong agricultural policy it is reported that the number of people who starved to death in southern Russia reaches ten million, though no reliable data is available. Similar conditions must prevail all over the country.)

There are some who believe the educational enterprise in Soviet Russia is being improved, but they are greatly mistaken; the fact is quite the reverse. A teacher of natural science is reported to have taught his pupils that there are in the North Pole the white camel, white buffalo and white sheep in addition to the white bear. The whole territory is far from being sufficiently supplied with able school instructors. Besides, school facilities are extremely poor.

Of course the Soviet army, which for 16 years has been trained under state control can never be made light of. Therefore, if we fight we must fight it out, staking the fate of the country; yet, we need not be afraid of a country whose government authorities do not enjoy the united support of the nation.

We should place ourselves on a different standpoint in viewing Soviet Russia, a country of materialists and anti-religionists. While the wheels of her domestic affairs turn smoothly she cast off the mask of conciliation which she put on while domestic anxiety prevailed and comes out boldly, insisting on perpetrating her injustice. She acts in utter disregard of the sense of justice or injustice; she bows before stronger force, but puts on a bold front against inferior strength.

In dealing with Soviet Russia we must do so with actual strength of our country as the back-ground.

Although under the existing international situation in which Japan finds herself it is most unlikely that she takes up arms against Soviet Russia, yet since the Soviet armament preparation is for an actual war preparation it is reasonably expected that she will come forward to challenge us in the not distant future, otherwise the Soviets might expedite the arrival of the time of her self-destruction.

Japan Will Never Strike the First Blow

(*By an Editor of the Kaiso, May Number*)

It is reported that at a meeting of the Kokusai Club the other day War Minister Hayashi at the end of his speech on the Army and Navy alienation remarked to the following effect: "It seems the people entertain misgivings as to the safety of the Soviet-Manchukuo border district, but this is because Soviet Russia is apprehensive of the movement of our country. If, therefore, the Russians are enlightend on the fact that *while I occupy the War Minister's chair Japan will never take up arms against their country*, I am confident that their unwarranted fear will be removed." It may be that this is not an exact copy of the War Minister's words, but Hayashi's remarks were to that effect, it is reported. Furthermore, it is said that a general who happened to be present among the audience made a wry face at the underlined section of the War Minister's speech."

A Drowning Man Will Catch at a Straw

(*By Katsuju Inahara* (稲原勝治), *Yomiuri,-April 27*)

Undoubtedly the Soviet Union favors joining the League of Nations. But as to the motive we cannot accept the Soviet authorities' statement on the affair at its face value; no doubt there is at its back an undeclared motive. By this I mean her attempt at putting restraint upon Japan and Germany.

Japan is her eye-sore in the East and Japan's advance into Manchuria is an evidence of her failure in the Japan-Soviet competition in this direction. Naturally the Soviets firmly believe that Japan will make further advance into Siberia accross the Soviet-Manchukuo border. The attempt at concluding a non-invasion pact and the N. M. R. sales proposal have their starting-point in her Japanophobia. And that which poured oil over this flame of apprehension is Japan's withdrawal from the League of Nations.

On her western side Soviet Russia extremely fears Germany; she considers "Nazi Germany inevitably means war" — between Soviet Russia and Germany. As one of the principal reasons for her fearing Germany we may mention that she has become conscience stricken after having mercilessly squeezed Germany and more recently has kicked her away through the conclusion of a commercial treaty of a political nature with France. Another reason worthy of our careful attention is the German-Poland non-aggression pact concluded two weeks after the French-Soviet non-invasion agreement was realized. Though being on the surface a commonplace agreement guaranteeing non-invasion, this non-aggression pact is reported to provide secret clauses, according to which the so-called "Corridor of Poland" will be given Germany and as an atonement for this sacrifice Poland will extend her territory into Soviet Russia.

Being apprehensive of the development of such a situation across her western border Soviet Russia has contracted nervous debility. In case the allied German-Poland forces make a drive into Ukraine, the Ukraine district will turn back against the Soviet regime, and in which case the Caucasus and its neighboring district will follow suit. In such an eventuality the safety of the Soviet Government will be menaced. If, in addition to this, a collision breaks out with Japan the Moscow Government will make headway toward dissolution.

That she is defenseless for such a possibility the Soviet Union herself is well aware; in case of emergency she could expect nothing from France while the United States would be still less reliable. Thus no country is so miserably isolated from the rest of the world as Soviet Russia. As a drowning man will catch at a bit of straw, so the Soviet Union goes to the League of Nations for assistance. She states that it is "for the sake of promoting peace of the world" that she joins the Leauge, but instead of saying such a pleasant thing Soviet Russia should broadcast that it is "for the sake of guaranteeing her own safety" or more precisely "in order to protect the Moscow Government."

What We Can Learn from Soviet Russia

(*By Yosuke Matsuoka* (松岡洋右), *Pamphlet, April 11*)

(The following is from the pamphlet entitled "What is the Emergency Period" by Yosuke Mastsuoka, distributed throughout the country).

The Japanese are by nature short-tempered and get soon tired of things. They are hardly able to go through the emergency period of two or three years.

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Things are different in Soviet Russia. The Five Year Plan came to an end in four years and the second Five Year Plan is now in progress. It was last summer that a dreadful case of famine broke out in Ukraine. Of course there is no means to get exact figures of the sufferers, but a report obtained from a most reliable source indicates that there were several million who starved to death. Having often visited the country while young, I have sufficient knowledge of the conditions of the country to endorse the reliability of the information. What, if a few hundred persons starved to death in our country? I can well imagine the commotion.

In the face of the dying millions, the Soviet Union is, as if nothing has happened, rushing toward the completion of heavy industry, which is partly responsible for causing the tragedy. No change has been introduced in her original plan of placing importance on the heavy industry. Stalin does not turn a hair; he is intent on the consummation of the Five Year Plan. Such could not be noticed in Japan. The Japanese start casual reactions and raise objections to any new enterprises. The Slav Race, though having various weak points, makes headway like tremendous forcelike ice-bergs in the Arctic Ocean. Just compare this with our national traits.

We have much to learn from the Russian national character. Probably the Japanese cannot but feel pessimistic when they think of an outbreak of an unfortunate clash between Japan and Soviet Russia. Russians possess a truly formidable character.

Japanophobia Still Clings to Russian Minds

(By Hideo Kobayashi (小林英生), Tokyo Nichi Nichi May 8)

Generally speaking it appears that the Soviet sentiment toward Japan which, toward the end of last year until February of the present year, grew extremely tense, has come to be ameliorated, as if softened by the warm spring sunshine.

The trip by way of Siberia, which is regarded in Japan as a hazardous attempt, has on many occasions proved safe. The Soviet authorities are endeavoring to sweep away the dark clouds hanging between Japan and their country. The other day the Soviet Foreign authorities invited three Japanese reporters, each representing *Asahi*, *Nichi Nichi* and *Rengo* for a free exchange of views; perhaps this was the first time the Soviet authorities invited Japanese reporters. Furthermore, Vice-Foreign Commissar Sokolnikov invited Ambassador Ohta, several of his subordinate officials and the three reporters including myself to a dinner party specially given for them. Through these exchanges of greetings between the two countries Moscow's sentiment toward Japan appears to show hopeful signs of amelioration.

In the face of these signs of favorable development of Soviet-Japanese relations, the speeches by Molotov and Litvinov are still carved deep in the minds of Russians, and it appears there are still a number of those who seriously apprehend that Japan will challenge the Soviets sooner or later. Of late the Soviet papers freely publish news on affairs concerning Japan. The *Tass* despatches from Shanghai give severe criticism on the activities of the Japanese army in North China, while its movement in North Manchuria is reported in detail by the *Tass* Agency in Peiping. Moreover, the organs of the Red army publish detailed accounts of the Japanese army. All these indicate that the centre of the attention of Russia is Japan, just as it was hitherto. I hear voices raised in some quarters that Japan ought to despatch goodwill missions to Moscow as well.

In cultivating friendship with the Soviets, the United States leaves no stone unturned. The representatives of the *U.P.* and *A.P.* have already arrived in Moscow; the American warships are visiting Leningrad this summer, while the American Ambassador and Consul-General in Moscow are ready to arrest every chance to express cordialities to win the favor of the Russians.

Growing Rivalry of Italy and Japan

BY T. H. CHEN (陳民秋)

LAST year Mussolini gave a roaring speech before the Asiatic Students' Confernce in Rome. He declared emphatically that Italy's future is in Africa and Asia. The imperialistic policy of Japan has been much criticized by Il Duce and the Italian press. War beeween these two great powers seems to be already imminent.

Italy had pledged herself to respect the sovereignty, independence, territorial and administrative integrity of China, because she is a contracting party to the 'Nine Power' Treaty. M. Schanzer, the Italian representative to the Washington Conference, had remarked that Italy would give her support to the solutions that should appear to be best suited to assure the free development of China and to guarantee an equality in footing of the different nations in their efforts to promote the progress of China and of commerce with that country. It is evident that Italy would not allow Japan to rule China. That is why she has attacked Japan and refused to recognize the puppet regime in Manchuria.

Although Italy has no colony in Asia, yet she has important commercial interests in the Far East, including a little concession in Tientsin, North China. Italy has to uphold her right in the Asiatic continent just as France and Great Britain do.

When the government of the United States of America proposed the "Open Door" policy for China, it received endorsement from other powers as well as Italy. The Italian government has been trying to secure for its citizens equal trading privileges in all parts of China and equal opportunities in development of railways and natural resources, particularly in the province of Chekiang. Since then, she has been on friendly terms with China. Moreover, she allowed China to discontinue paying her the annuities due as Boxer imdemnity in order to save China from financial difficulties. After Japan's occupation of Manchuria, she has been keeping her eyes on the development of the Eastern affairs attentively. Italian envoys have been sent from Rome to Mukden to investigate the actual situation in the Three Eastern Provinces and Il Duce is kept very well informed by reports despatched from Peiping, Tientsin and elsewhere in China. Count Ciano, the former Italian Minister in China, son-in-law of Mussolini, happened to be in Shanghai when the Japanese invaders attacked Chapei. China is brought into close contact with Italy by the able Italian diplomats. Italy is one of the most important members of the League, whose Commission of Enquiry headed by Lord Lytton included an Italian. The scheme for technical collaboration that had been proposed by China was accepted by the League and from Geneva the League has commissioned about a score of experts, including several Italians, to Nanking to help China to rebuild. The Italian techncians are mainly engaged in agricultural works. The whole of Italy was surprised by the news in connection with an informal declaration by Japan of the "Hands Off" China policy, a policy in defiace of the principle of "Equal Opportunity."

Mussolini Suspicious of Japanese Imperialism

Mussolini has rightly pointed out that Japan is just entering the first stage of her imperialistic expansion. The Japanese are devising different plans for a Pan-Asiatic movement and paying Pratap, a wicked Afghan, to be their "running dog." Japan as a matter of fact is not only striving to increase her influence in Asia but also in Africa. She would not be satisfied until she becomes the Ruler of Asia, Africa and Europe. Inspired by the spirit of nationalism, the Japanese politicians are urging their government to take aggressive steps toward China, and Japanese school children are taught how to scramble for territories beyond their frontier. Count Okuma, a well-known statesman and at one time Prime Minister, wrote in 1919, just after the Great War, "by marching westward to the Balkans, . . . to Italy, the greater part of the world may be brought under our sway." Italy is also one among the nations that Japan has been trying hard to get into her domination. A large amount of Italian produce is badly needed by the Empire of the Rising Sun. If this European peninsula stretching to the Mediterranean Sea were conquered by an Asiatic power, the "Yellow Peril" would strike in Europe and become a reality. Japan is now working energetically toward this end. Let us narrate some of their most significant activities.

First, Japan attempts to pour forth her excess population to Brazil to outnumber the Italians, who have already gained a foothold there. In Sao Paulo, the number of Japanese population has been increasing; they begin to struggle for supremacy in this part of their settlements vis-a-vis, the Italians. Italy had made an agreement with the Brazilian government with regard to favorable treatment for Italian emigrants in Brazil. Italians of course do not like the unrestricted influx of so many Japanese into the place where they have alreday settled. It has been reported that this year the number of Japanese emigrants to the biggest republic of South America is larger than the preceding year. This evidently gives rise to anxiety among the Italians. We are informed that several Japanese colonists were shot to death by the Braziiains in Tiete, the Japanese settlement in Sao Paulo. The Brazilian government insists to ban Japanese immigration in the future by altering the wording of its constitution. In spite of the fact that during the last two decades there had never been any hostile act on the part of the Brazilians toward the sons of Dai Nippon, the anti-Japanese movement on a large scale seems now inevitable. The Brazilians are taught to hate the overweening ambition of Japan. Italy is aiming at the realization of becoming the "Emperor of the Latins." The peaceful Japanese invasion into the mainland of Brazil is one of the greatest obstacles put in her way of expansion. This is one of the causes that may contribute to the possibility of a war between the two imperialistic powers in the immediate future.

There is another cause of conflict between Italy and Japan. This is in connection with Abyssinia. Abyssinia, as all of us know, is the biggest independent country ruled by Africans themselves. Italy intends to "pick up the keys of the Mediterranean in the Red Sea" and to seize Abyssinia as a necessary stepping stone for her advancing to the East. Although she was unfortunately defeated by the Blacks, yet Italy still retains her unquestionable influence in this African state. If any other nation should come to exploit Abyssinia, it would certainly bring it into collision with the "Emperor of the Latins." Indeed, Abyssinia has been and is still antagonistic to Italy and her people would likely make every effort to push out Italy if there is such a chance. Japan knows very well about this peculiar situation in this part of Africa. Special envoys have been sent from Tokyo to Addis Ababa to pay court to the ruler of the Blacks. Arrangements have been made with the Ethiopian authority for purchasing by Japan of large tracts of land for cultivating raw cotton. The experimental cultivation has proved successful. The King of Ethiopia was exceedingly pleased and a permission was duly given to the Japanese interests for continuing their works in Abyssinia. This caused great uneasiness in Rome, because the "Yellow Peril" is coming to Europe, as the "Black Death" had been ravaging this part of the world. The number of Japanese cotton planters entering the port of Jibuti has increased tremendously. The Italian Ambassador Signor Aureti had called upon Mr. Hirota, the Minister for Foreign Affairs in Tokyo, to explain the matter and convey "the desire of his home government for co-operation in friendly spirit for development of the resources of Ethiopia." This is a diplomatic warning given to Japan by the Italians and what the Italians want is Japanese friendly, but not aggressive, spirit. Let there be no doubt about that.

A Cancelled Ethiopian Romance

Italy is also annoyed by the event that Miss Masako Kuroda, a Japanese lady of noble family, has been planning to marry Prince Lij Araya, the heir to the Ethiopian throne. This story is painfully interesting. According to reliable report, when the present King, or Emperor, as the Abyssinians prefer to call him, was crowned, a Japanese representative attended the ceremony. In the same year, Prince Araya sailed to Japan and conveyed thanks to the Emperor of the Rising Sun and instantly was proposed by his Japanese secretary to be engaged to Miss Kurada, one out of a dozen would-be fiancees to be choosen from the photos so submitted to His Royal Highness. Should this matrimonial arrangement turn out a reality, it would be a deadly blow to Italy. Japanese influence in Ethiopia would certainly be enlarged just as the Italian influence in the Balkans has been strenghthened by having a beautiful Italian princess married to the King of Bulgaria. Italy was vexed and, by means of diplomatic pressure upon Ethiopia, put a stop to this prospective "Yellow-Black Alliance." The Japanese government has formally, but unreluctantly, announced its cancellation. Upon hearing this sad news, Miss Kurida was upset, almost loudly cried out and later on told the newspaper-men that if her marriage to the Abyssinian prince should lead to international complications, she would leave the affair alone. At first, she did not believe it. Recently she again explained to her countrymen, saying that her intention to marry a "negro" is simply stimulated by patriotism. In her opinion, every Nipponese girl should go abroad to do something for her country, though the fair sex in Japan is still considered inferior, having "no soul." It has been said that Miss Kuroda is very pretty, while her would-be fiancé "through colored spectacles" is just as handsome as any prince of the royal families in Europe. Now this matrimonial drama ends comically, if not happily. The spokesman of the Japanese Foreign Office happened to have said that Prince Araya was found to be not a prince but a "junior secretary" in the Abyssinian government office. This is rather a ridiculous statement, worse than unnecessary. In view of such a condition, the misunderstanding between Italy and Japan could hardly have been removed but, more correctly speaking, intensified.

In addition, there is the question of trade competition in Africa and the Near East, including India. Referring to the statistics given

by the *Reader's Digest*, the cost of production of Japanese goods is between 40% to 70% below that of the European wares. That is why the volume of Japanese trade in Africa, Asia and Australasia has increased by 96.2%, 59.3%, 76.9% respectively. In Tanganyika alone, out of the total import of 875,000 yards of artificial silk, 870,000 are from Japan. Japan looks for extension of her market in the Balkans too. The Japanese recently established in Vienna a trading bureau for capturing the market in southeastern Europe and at the same time went to Angora to apply to the Turkish government for selling Japanese machinery for assisting their reconstruction works in Asia Minor. All these commercial activities undoubtedly retard the progress of trade of those European countries, especially Italy whose prosperity depends largely upon trade within this sphere of her influence. The Italian traders, strictly speaking, are not able to compete with the Japanese. They worry over this new situation and appeal to their government for redress by raising the tariff wall against the Japanese goods.

The export of Italian commodities, such as silk and artificial silk, has dropped and they are likely going to be displaced by Japanese wares. The buyers of Africa and the Near East have very small purchasing power. They are pleased to get Japanese goods, which are good in quality and cheap in price. Japan has several advantages over Italy. She has cheap labor, low exchange rate and rich natural resources in Manchuria which she has recently seized from China. Italy, on the other hand, has dear labor, gold exchange—as she is not yet off the gold standard, and, above all, no extra land where natural resources are abundant and exploitable. In the long run, she is likely to be economically crushed by Nippon, if no measure be taken to cope with this state of affairs.

Does Mussolini want to have a war with Japan? If Italy should now fight against Japan as if to nip "yellow peril" in the bud, England and Holland would be on her side. Italy's victory is a matter of certainty. By virtue of her being a member of the League, the Mandated Islands would go to Italy. The ultimate result would be the restoration of the balance of power in the Pacific where Italy has had no territorial interests like other European nations. But Italy wants peace. She is not financially well off and not strong enough so far as her naval force is concerned.

Tsingtao, May 31, 1934.

Mackay Radio Signs Agreement With Japanese Government

Mackay Radio, an affiliate of International Telephone and Telegraph Corporation, announced last week that it had concluded an agreement with the Japanese Government, which provides for the establishment of a new direct radiotelegraph circuit between the United States and Japan. Additions to the powerful Mackay Radio station at San Francisco are completed and preparations for the new circuit at the Japanese end are under way. In Japan the transmitting station for the new Mackay Radio service with America is at Oyama, and the receiving station at Fukuoka, both near Tokyo. The above-mentioned agreement with Mackay is part of the general plan of improving the wireless communication systems of Japan with foreign countries. An agreement has recently been established with Itala Radio Corporation in Italy for the public wireless service, which is being inaugurated during the early part of this month.

Direct Wireless Service Between China and Japan

Direct wireless service was formally inaugurated between China and Japan on the morning of June 1. The inauguration ceremony was held under the chairmanship of Dr. Yen Jen-kwang, Director of the Telegraph Department of the Ministry of Communications.

New Ruling Regarding Foreign Military Attaches

A new ruling regarding foreign military attaches in China has been made by the General Staff Department at Nanking. According to this ruling, the various Provincial and Municipal Governments are to refrain from according the privileges and immunities enjoyed by diplomatic officials to military attaches whose presence has not been formally reported to the Government by their respective Legations or Embassies. Disregarding the international usage, foreign military attaches in China have often been stationed outside their Legations and sent to various ports. They have often been transferred without formally notifying the Chinese Government.

Kaingnan Dock No. 3 to Be Largest in Shanghai

No. 3 dock at the Naval Ministry's Kiangnan Dock at Kiaochangmiao is being enlarged, with a view to eventually making it 600 feet long. The dock is at present 375 feet long and part of the extension is hoped to be finished by September. When the improvements have been completed the dock will be able to accommodate vessels of over 10,000 tons. It will be the largest dock in Shanghai.

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Soviets Suggest that Disarmament Conference Be Transformed Into "Conference of Peace"

After declaring that an arms agreement is out of the question at the present time, Maxim Litvinov, Soviet Commissar of Foreign Affairs, moved at Geneva on the afternoon of June 1 that the Disarmament Conference be transformed into a "Conference of Peace." M. Litvinov had discussed such a proposal in his speech before the delegates previously but had not, at that time, put the suggestion into a formal motion. In his address June 1 the Russian representative bitterly attacked the Simon proposals which provided for a limited disarmament convention comprising the abolition of chemical warfare and the publication of national war budgets. M. Litvinov pointed out that a chemical warfare convention had been in existence since 1935, but that only 10 powers had ratified it. The U.S.S.R. delegate urged that the Political Commission of the Conference, which is really the entire Conference, should be summoned immediately to discuss security measures.

Moscow *Izvestia* commented:—"The Disarmament Conference assembled in order to bury the dead body. All great powers wanted to disentangle themselves from the bankrupted conference, without losing their own prestige. Litvinov in the first place described the things as they stand. He established that the conference not only did not abolish armaments, but did not even take a single step for the reduction of armaments."

The Chinese delegate, Wellington Koo, in a speech definitely and sharply directed against Japan, attached vital importance to security pacts embracing the world and not merely Europe. Only through collective security agreements, declared Mr. Koo, would the world's general disarmament convention become practically realizable. Limitations of armament are not sufficient because some nations even with reduced armament would not hesitate to attack their peaceful neighbors, he said.

France Fears a Trap Door

All possibilities of an understanding on the arms question between France and England were shattered by a speech at the meeting of the General Commission of the Disarmament Conference in Geneva May 30 by M. Louis Barthou, French Minister of Foreign Affairs. M. Barthou was extremely critical of Sir John Simon, and also of the British case as explained by Sir John. The Minister said it was easy to do better regarding security than the provisions in the British memorandum allowed. He declared that France was strictly observing the 1925 agreement between England and France, prohibiting the export of arms and war material. The time had passed, M. Barthou continued, in view of the difficulty of the situation, for complaisance and even, perhaps, for compromises. The British, he said, had appealed for the construction of a bridge between France and Germany on the thesis that France would gladly pass over it. France, however, feared the existence of a trap door through which she might drop.

The French attitude was hardened in consequence of the receipt by M. Louis Barthou, French Foreign Minister, of a telegram from the Premier of France, M. Doumergue, offering him warm congratulations for his sensational speech May 30.

While the possibility of a Franco-Russian military alliance is indignantly denied in official circles in Paris the probability of some sort of military cooperation between the two countries appears indicated by the report that Soviet Foreign Commissar Litvinov has been instructed formally to invite the chief of the French General Staff, General Gamelin, to visit Moscow.

Breakdown Prevented by Adjournment

In order to prevent a complete breakdown of the Disarmament Conference, Arthur Henderson, the Chairman, June 1, adjourned the meeting until June 5. In announcing the adjournment, Mr. Henderson stated that the disarmament situation at the present time is the worst since the inception of the Conference more than two years ago. Speaking amidst tense silence, Mr. Henderson stated that he was compelled to take the most serious view of the present situation and that he frankly believed the time had come to face reality without any rose-hued glasses. The conversations and friendly intervention of third parties have so far had no effect in bridging the divergence of views between Great Britain and France.

U. S. to Close Down Naval Base at Manila?

The closing down of the American naval base at Manila is expected to facilitate an agreement between America and Japan, according to the diplomatic correspondent of the London *Morning Post*, who points out that the United States' decision to withdraw her fleet is a purely strategic move owing to the impracticability of defence, before the arrival of help, against a conceivable attack by enemy forces. The same writer adds that there is no reason to suppose that an agreement with Great Britain cannot be reached regarding Singapore and Hongkong.

Secretary Hull, in an address made at the dinner of the Cumberland University Alumni Association, May 5, of which he is a member, invoked the spirit of hardihood and determination of the American people to offset the imminent danger of war and the potential breakdown of civilization. He called upon the nations of the world to work for peace, educational institutions to meet an emergency, and America to lead the way.

Work on Singapore Naval Base Progresses Steadily

Military expenditure in the Pacific zone is on the increase, according to the military correspondent of the *North China Daily News*, writing from London, May 1. At Singapore the end of the year will see three-fifths of the work on the naval base completed. The dock will take the largest battleship afloat and as the fuel will be oil and not coal the reservoirs will hold a million tons; they have cost a million to build and are finished. The new military station will be at Changi on the eastern seaboard of the island, and the airdrome at Seletar is on the north of the island. The dockyard lies west of the airdrome in the channel separating island and mainland. The new Gibraltar covers the Straits which connect the Indian and Pacific seas on the Calcutta, Rangoon, Madras, Singapore, Australia route. The guns will be most powerful and a German service journal speaks of 18-inch—but the type of armament and where it will be placed is not a matter for broad-casting. The Germans, who want to fly the flag in the Far East, are much interested in Singapore and keep on guessing at the size of the Pacific Fleet, of the military garrison and the number of air squadrons to be stationed there.

Japan Agrees to Preliminary Conference But Fights Shy of Political Questions

Good progress is being made towards the holding of a preliminary meeting this Summer, probably in London, with a view to discussing the issues of the Naval Conference, which is due to be held next year. According to *Nippon Dempo*, the Japanese Government already has decided to participate in the preliminary conference at London if it is limited to the naval question alone, but Foreign Minister Koki Hirota has firmly decided that the naval question should be strictly independent of any reference to the China and Manchukuo issues. Mr. Hirota's attitude is that if either America or Britain proposes that Far Eastern political issues be discussed, Japan may take steps leading to a temporary suspension of the conference.

The Italian press, in an apparently inspired statement, revealed June 1 that Italian Ambassador Auriti is asking the Japanese Government for further explanation of the Foreign Office Spokesman's statement of April 17 warning foreign powers not to make loans or aid China without first consulting Japan.

J. Shinobu, Professor of Diplomatic History at Waseda University, wrote to the *Japan Advertiser* May 2 pointing out that the preamble of the second Anglo-Japanese Alliance Agreement of 1905 used the words: " . . . in the regions of Eastern Asia and of India." The original word which appeared in the British draft was " . . . in the East," but the Japanese counter-draft preferred the said phrase to "the East," in order to make clearer the sphere of the application of the alliance, which was accepted by Great Britain and became the text. An inference may be drawn from the above that the East, or Eastern Asia, denotes a region distinct from India, Professor Shinobu says.

Japan Doesn't Want Either Germany or Soviets in Naval Conference

A Tokyo message June 4 stated that the Japanese Foreign Office looks with extreme disfavor upon the reported plan to invite Germany and Soviet Russia to participate in the Navy Limitations. The Government will ask for an explanation as to why these two countries should participate in the conferences. Only signatories to the present Naval Limitations Treaty should be asked to join the next conference, since the principal purpose of the discussions is to revise the existing 5-5-3 naval ratio between Great Britain, the United States and Japan, in the belief of high officials of both the Japanese Navy and Foreign Ministries.

Kwangtung Government Controls Tungsten Supplies

Tungsten, one of the indispensable ingredients of modern arms manufacture, is derived from wolfram ore, large supplies of which are found in China. The best known tungsten deposits in China happen to be in the territory now controlled by the Red Army in southern Kiangsi. Along the border regions of Kiangsi and Kwangtung, however, there are deposits located in territory controlled by General Chen Chi-tang, the Canton military power, and, according to new reports, mines have begun operation in that area. Not long ago, Arnhold and Company of Shanghai secured from the Nanking Government a right to exploit the tungsten deposits in the Kiangsi-Kwangtung areas. This led to complaints by southern Chinese mining entrepreneurs and these

in turn awakened the Canton authorities to the profit-making possibilities of marketing the tungsten. Since central Kiangsi is wholly under Communist control and the British could move their tungsten only down through Canton, the Cantonese had a ready lever on which to turn their complaints. The ultimate result was the voluntary withdrawal of the British firm. Absorbing the full output of the mines, which are privately operated, the Kwangtung Government is reported to be selling the ore to foreign buyers at a price which works ont at about U. S. $26 per picul of 133 1/3 pounds.

Hotchkiss Machine Guns Have Profitable Year

The Hotchkiss Company, located in France, which has large contracts in Japan, announced profits totalling U.S.$1,005,785 in 1933 as compared with U.S.$992,359 in 1932. A dividend of U.S.$4.32 was declared, compared with U.S.$3.95 the year previous. The Hotchkiss Company specializes in machine guns. It was founded by Benjamin Hotchkiss, an American, who has lived in France for many years. The present managing director is Laurence Benet, formerly in the United States Navy.

Japans Buys Much Munition Material in the United States

In the past two years 32 vessels from United States ports negotiated the Panama Canal to Japan, carrying scrap iron, steel, lead and other munition materials, and American manufactured anti-aircraft guns packed like motor-cars and marked machinery. The last ship carried 8,000 tons of scrap iron through the Panama Canal, purchased by Japan from a New York company at U. S. $8.90 a ton.

Figures of British Arm Shipments to the Far East

According to a reply given in the House of Commons by Walter Runciman, President of the Board of Trade, war material licenses for export to China and Japan during the four months ending on March 31 covered, of armament for four airplanes, 152 rounds of practice shot, 160 torpedo firing cartridges, 4,410 pounds of gunpowder, nine sets of sights for machineguns, one light amphibian tank armed with a machine-gun, one sound locator and 1,205 pounds of sample explosive powders for China; and two clinometers, 300 rounds of No. 40 ammunition and four wind-balance aircraft gun-mountings for Japan.

Filming of "Good Earth" Closely Censored by Nanking Officials

Bessie A. Ochs, described as liaison officer between the Metro-Goldwyn-Mayer company and the Chinese Government, who was in Shanghai during the week pointed out in a recent interview that reports that Mrs. Pearl Buck had left China disappointed and indignant because of obstacles interposed by officials of the Nanking government to an authentic filming of her novel, "The Good Earth," were based on misapprehension.

Mrs. Ochs emphatically denied that the filming company had in any way been obstructed in its work by the Nanking government. "Quite on the contrary," she declared, "we have received splendid cooperation from the government and have positively no complaints." Mrs. Ochs expressed astonishment at the bitter complaints against the Chinese Government attributed to Mrs. Buck (in the *Japan Advertiser*), who she said had nothing whatever to do with the filming of her novel, all rights therein having been sold to her publishers. Film rights for the novel have been acquired from the publishers by the Metro-Goldwyn-Mayer company. Asked whether the completed film would represent a faithful portrayal of Mrs. Buck's work, Mrs. Ochs stated that although certain scenes and incidents considered particularly offensive by Nanking Government censors —two of whom travelled constantly with the filming company— would be omitted, the film in its entirety would be an authentic story of Chinese life as depicted in the novel.

Mrs. Pearl Buck sailed for the United States on the s. s. *Empress of Russia*, which left Shanghai May 20. The *Japan Advertiser* of May 27 stated that her name did not appear in the passenger list.

Photos of Street Scenes Arouse Ire in Southern China

Chinese newspapers at Canton express indignation that an American cameraman, with the cooperation and assistance of a theater proprietor, was able to shoot such street scenes as policemen driving away itinerant peddlers; northern beggars eating unhusked wheat; cripples begging for coppers; fat, scantily-clothed men cutting up and roasting pork; and a specially-enacted performance by Buddhist nuns singing and playing their funeral chants. Several months ago the Canton Authorities issued an order prohibiting the photographing of Chinese scenes in the interior districts by foreign camera men. The government is urged to instruct the various district magistrates to see that the ban is strictly enforced and that offenders are penalized.

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Has Japan also Defeated China in Inner-Mongolia?

BY WALTER BOSSHARD

(Mr. Bosshard, writer of the following article is a well known Swiss journalist and photographer who has traveled frequently in China, particularly in Mongolia and Sinkiang or Chinese Turkestan. The article appeared originally in the Neue Freie Press, Vienna, and was translated into English and published in the Living Age, New York, in May.)

'AFTER Manchuria, Mongolia!' This is the watchword of the Japanese generals who, since September 18, 1931, have steadily consolidated the conquest of the three eastern provinces, a conquest that began as pure adventure. But when these provinces had been shaped into a new state it seemed as if only a small part of the well-known, but ill-famed, Tanaka Memorial were being executed. Whereas Manchuria was taken over by open resort to armed force, in Mongolia the Japanese have chosen an entirely different kind of warfare, which is somewhat more deliberate, but which, on that very account, is calculated to lead safely and at considerably lower cost to the desired end. This method is the strategy of the systematic, peaceful penetration of Mongolia by the principles underlying Japan's policy in Manchukuo. The end in view is the establishment of a new kingdom in North China.

Mongolia in its entirety covers an area larger than that of all Central Europe, although the population, made up of numerous nomad tribes, numbers only from five to eight million people. This central Asiatic plateau, divided by narrow hills into Outer and Inner Mongolia, has been called the cradle of the Mongolian race by the great ethnologist, Count Egon von Eickstedt. In recent months it has become the scene of active political movements so remote as scarcely to be noticed by the rest of the world.

For several years Outer Mongolia has been completely under the influence of Communist Russia and has therefore been lost to China. In Ulan Bator Hoto, formerly Urga, there is a Soviet administration, officially composed of Mongolia but guided from behind the scenes by Russians from Moscow who set up their control with the aid of the Buriat military forces. The formerly extensive commercial traffic between Urga and the trading centres of North China has come to a complete halt for several years; merchants from Tientsin, Peking, and Kalgan had to leave the territory, and Russia began to flood the country with products that were exchanged for horses, sheep, and wool.

Inner Mongolia, on the other hand, could still be considered a part of China. But the ties that bound the numerous wandering Mongol tribes to the Nanking Government were undeniably very slack; neither taxes nor tribute of any kind found their way from Mongolia to the capital of China; the individual princes administered their inherited wealth and estates according to ancient tradition and paid scant heed to the new ideas that had been spreading throughout China for two decades.

Japanese Exploit Anti-Chinese Sentiment

Many of these old reigning families in Mongolia saw from the outset that Sun Yat-sen's revolutionary ideas spelt danger to themselves and their tribes. When Nanking proceeded to declare war on the ancient religions a wave of hostility to the government spread over the broad steppes and desert-like plains, and this antagonism was increased by the influx of Chinese colonists and settlers. Japan cleverly exploited this hostility. While the central government of China was carrying on a campaign against the rebels in the province of Fukien in South China, Japanese agents were quietly cultivating the Mongolian princes and the influential lama priests, urging them to unite with the state of Manchukuo. The Japanese approach was to promise the former local rulers a substantial measure of self-government in their territories and to assure them, at the same time, of a market to the eastward for their crops, wool, horses, and sheep. Since many of these Mongolian princes were linked by bonds of friendship or kinship to the old imperial family of Peking, whose last representative, Pu Yi, now reigns in Changchun, they have renewed their loyalty to the ancient dynasty and are giving him their support. Monarchist and patriarchal ideas seem far more comprehensible to these tribes, living as they do according to ancient sacred traditions, than the modern concepts of a Sun Yat-sen.

Disturbed by this trend and by rumors of an imminent declaration of the autonomy of Inner Mongolia, the Nanking Government invited the Mongolian princes some months ago to a conference at the great lama monastery of Peilingmiao where government representatives tried to remedy the precarious situation. The sole outcome was that Nanking suffered from earlier sins of neglect: confidence in the central government had disappeared, and these tardy efforts and promises proved futile.

These events may produce results of international economic significance. If Pu Yi's power were extended over Mongolia, Manchukuo would stretch to the Yellow River and even beyond it in the Ordos region. It must be remembered that the Suiyuan railroad is the only line of rail communication between Tientsin, the most important port in North China, and Central Asia. If this line were cut, all the trade that had hitherto passed that way to Sinkiang, the most westerly of the Chinese provinces, would have to be routed over the newly constructed Japanese lines to Dairen in Manchurian territory. Thus Tientsin and Peking would be deprived of their *hinterland* and their markets. What Japan has so far been unable to accomplish by military means will be achieved once and for all by this deft commercial-political move. North China will find itself compelled to seek a union with Manchukuo unless it wishes to relinquish its important position as woolen, leather, and banking centre.

This ambitiously conceived plan also has its military and strategic aspects. Japanese must assure the safety of the southwestern flank of the state of Manchukuo and dominate the Mongolian corridor leading to Asiatic Russia as a protection against possible measures of retaliation on the part of Soviet troops. Because of its poverty in natural resources and its limited agricultural importance, Mongolia will never become a second Manchukuo. But whoever possesses Mongolia holds the key to the vast western province of Sinkiang.

During recent months Chinese Turkestan has been in a state of turmoil due to Mohammedan uprisings. If the Japanese wedge of Manchukuo should be pushed into Mongolia, only two courses of action would remain open to Chinese Turkestan: either to join Manchukuo or to unite with Soviet Russia.

Autonomy Movements Doomed to Failure

All movements seeking autonomy are foredoomed to failure, for the only caravan routes that are in condition to be used at present lead through Mongolia; the southern routes, which we know from ancient writings as the socalled 'silk routes,' have become impassable because of climatic changes. The movement for union with a new state in North China may even extend into Outer Mongolia, where the brutal tactics of the Buriat military forces have provoked widespread discontent against the Soviet system and have sent many refugees fleeing to Inner Mongolia. The Russians will not give up Outer Mongolia without resistance, for with Sin-Kiang it has become important to them as a market. It can be assumed, however, that armed conflict such as we experienced in Manchuria will not arise here since it would be extremely difficult to keep a large army supplied in this vast desert country.

The frequently disputed Tanaka Memorial, which we have already mentioned, contains the following passage that clearly points out the path that Japan intends to tread :—

'The control of these territories is still indeterminate; the Chinese and Russian Governments are not yet much concerned about them. We should seize this opportunity firmly, and secretly extend our power there. If it should prove later that we had bought up the largest share of Mongolian territory, no one in the world would be able to decide whether Mongolia belonged to the Mongols or to the Japanese. Then we could maintain our prerogatives by military force and establish a positive policy.'

The policy that the vision of Prime Minister Tanaka supposedly outlined in 1927 is being carried out to-day in these remote little-frequented regions, and in this manner a great advance has been made in the consolidation of Japanese power on the mainland. Japan, the England of Asia, reaches farther and farther toward the West in the upbuilding of her vast colonial empire.

British Admit That Kowloon City Is Chinese Territory

A dispute which arose in consequence of the attempt of the British authorities at Hongkong to confiscate the houses of Chinese residents at Kowloon city and to deny to them the right of free residence there on the ground that Kowloon city was not Chinese territory, has been amicably settled. Satisfied by the abundant evidence gathered and presented by Kan Chieh-hou, Special Commissioner of Foreign Affairs for Kwangtung, showing that Kowloon city is Chinese territory and remains under Chinese jursidiction, the British Colonial authorities at Hongkong have rescinded a previous order against the free residence of Chinese there. An official report on the incident will be submitted by Kan Chieh-hou to the Central authorities.

Nanking Organ Comments on May 30 Anniversary

Commenting on the ninth anniversary the of May 30 incident at Shanghai the *Central China Daily News* (Nanking) said :—"Several years ago, the exploitations of the imperialists could still be temporarily checked by a demonstration of the self-consciousness of the people and their patriotic spirit. But now such exploitations cannot be checked unless by military force. The imperialists are prepared to further their exploitation by force, so the only way to meet the situation is to get ready to fight. Demonstrations and the yelling of slogans have lost their value. If the people want to save their country from destruction the only way out is to build up a strong defence force. Strikes, demonstrations, distribution of pamphlets will not help to improve the situation in the least degree."

Ministry of Railways Explains Suiyuan Railway Financing

Editor, *The China Weekly Review* :—

I have been instructed by H. E. the Minister of Railways to send you the enclosed translation of the actual report appearing in the Chinese Press in Nanking concerning the re-adjustment of foreign debts of the Peiping-Suiyuan Railway. *Renter's* Agent in Nanking, either wilfully or otherwise misinterpreted that report and sent out a statement dated May 27 stating that this Ministry had acknowledged the conclusion of a new Japanese loan for the reorganization of the Peiping-Suiyuan Railway. A persual of the enclosed will show that no new loan has been made, but that on the contrary the Peiping-Suiyuan Railway has made arrangements with over forty of its creditors for the gradual liquidation of its old debts. I shall be greatly obliged if you will make the necessary corrections in an early issue of your paper. CHANG WEI-TSZE.

Ministry of Railways, Nanking, May 30, 1934.

TRANSLATION

Report of an Interview with a Spokesman of the Ministry of Railways concerning the Re-adjustment of foreign debts of the Peiping-Suiyuan Railway.

The *China Weekly Review* of Shanghai recently published a statement suggesting that the re-adjustment of the Peiping-Suiyuan Railway loan from the Japanese firm, the East Asia Industrial Company, was the precursor of negotiations of the Chinese Government for a re-adjustment of the Nishihara Loans. The writer made inquiries at the Ministry of Railways and was given the following answers by the spokesman of the Ministry :

Question.—The *China Weekly Review* stated that the *Rengo* News-Service on the 6th of May reported that your Ministry had on the 25th of April made an agreement with the East Asia Industrial Company for the re-adjustment of a loan of $5,200,000 of the Peiping-Suiyuan Railway. We do not know if such did happen.

Answer.—It is so. The Ministry approved an agreement between the Peiping-Suiyuan Railway Administration and the East Asia Industrial Company.

Question.—Is it necessary for the Peiping-Suiyuan Railway to readjust its loans during the National Crisis, and is the agreement of advantage to the Railway ?

Answer.—This Ministry has for the past two years been actively engaged in adjusting all railway indebtedness, for the purpose of restoring railway credit and of placing railway finance on a firm budgetary system. As a result, confidence in the railways has gradually increased, a fact widely known among Chinese and foreigners.

The Peiping-Suiyuan Railway because of increased traffic during recent years, has adopted a policy for the readjustment of its debts, both for the purpose of gradually lightening its own burdens as well as to meet the wishes of its creditors. It has already made arrangements with forty to fifty of its creditors for a gradual liquidation of its debts. The East Asia Industrial Company is but one of its many creditors, and an adjustment of its debt to this Company is a natural outcome of its policy. The agreement moreover is advantageous to both parties.

Question.—The *China Weekly Review* suggests that the readjustment of the Peiping-Suiyuan Railway loan is the precursor of negotiations of the Chinese Government for a readjustment of the Nishihara Loans. Is this correct ?

Answer.—The readjustment of the East Asia Industrial Company's loan to the Peiping-Suiyuan Railway is only a portion of the readjustments on that Railway, and a part of the policy of the Ministry of Railways. It concerns railway matters and has no connection whatsoever with the Nishihara Loans. The *China Weekly Review* in making the statement you refer to is probably under an erroneous impression created by an article of Eugene Chen published in 1918, in which the Peiping-Suiyuan Railway Loan is confused with the Nishikara Loans. There is absolutely no basis for such a statement.

Question.—Then the Nishihara Loans do not include the Peiping-Suiyuan Railway Loan from the East Asia Industrial Company ?

Answer.—No. The Nishihara Loans consist of seven items of loans and advances :—(1) The Bank of Communications Loan, (2) The Telegraph Loan, (3) The Kirin Huining Railway Advance, (4) The Kirin and Heilungkiang Provinces Forestry and Mines Loan, (5) The Manchurian and Mongolian Railway advance, (6) The Kaomi-Hsuchow and the Tsinan-Shunteh Railways Advance and (7) The Arms Loan for war participation. The history of all these loans and advances can be easily traced. We do not know how Eugene Chen could have regarded the Peiping-Suiyuan loan as one of the Nishihara Loans. That the *China Weekly Review* should help in spreading erroneous information is much to be regretted.

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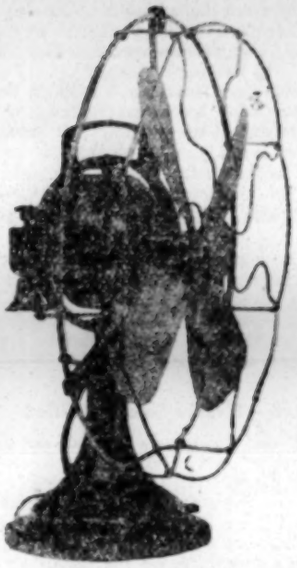

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One More "Drive" to Rid Chientao of "Bandits"

Japanese and Manchukuo troops are launching a joint drive against bandits that infest the Chientao-Hunching district in the southeastern section of Manchuria. The drive started on May 31 and is to continue until the entire area has been cleaned up. The Japanese and Manchukuo armies have tried to annihilate the outlaws on previous occasions, but with indifferent success. As soon as the Government forces arrived in the district, the bandit hordes dispersed and the pillagers could not be identified and punished. But as soon as the soldiers left, the district again became overrun with bandits. This time, it is said the Japanese and Manchukuo soldiers will remain indefinitely, or until the bandits are identified and killed.

The Police at Chientao have also started a campaign to stamp out a Communist plot allegedly aimed against the lives of Japanese and Manchukuo officials, following confessions made by two Communist leaders arrested on May 19. The plot is said to have been set for May 30 and included, in addition to killing officials, the the destruction of bridges, railway tracks and public establishments.

Japanese Troop Train Wrecked—Twelve Soldiers Killed

Twelve soldiers were killed and twenty-six injured, ten of them seriously, when a Japanese troop train of the Morita detachment encountered bandits who had blocked the track, resulting in the train being overturned at a point about four kilometres from Sanpaohotze on the afternoon of May 27. Desperate fighting continued until nightfall when the bandits were dispersed, leaving thirty-six corpses and a quantity of ammunition on the field.

Four Japanese employees of the Hasama and Sakai Engineering companies and about 150 Chinese coolies were kidnapped by a large gang of bandits near Lienssui in the early morning of May 25. Troops were despatched to the scene of the raid.

Tyrannical Japanese Activities in North-east

General Li Tu, former Acting Deputy Defence Commissioner for the North-eastern Border, has cabled to Dr. Wellington Koo, Chinese Minister to France, requesting him to broadcast to the world the tyrannical activities of the Japanese military in the North-east. The message pointed out that the Japanese military have conscripted North-eastern youths for military service, seized all private and self-defence weapons, abolished the land licenses of the people, slaughtered and massacred the innocent, and are forcing the public sale of opium. Finding the high-handed action of the Japanese intolerable, 15,000 peasants have organized themselves for resistance.

Japanese Active in Chahar

Japanese military movement around Kuyuan and Dolonor are in full swing. Twenty motor trucks fully loaded with military supplies arrived at Dolonor from the east June 3 and later continued their journey a westerly direction. It is reported that the troops uuder Commander Yang, who recently surrendered to General Sung Cheh-yuan after breaking away from General Sun Tien-ying in Ningsia, have established secret relations with Manchukuo. These soldiers are said to be making preparations to create disturbances in Chahar in order to provide new peretexts to the Japanese for sending more troops to Chahar.

Japanese Fear German Competition in Manchuria

German efforts to secure a greater share of Manchurian trade in exchange for increased purchases of soya beans for export to Germany have reached the point where they are beginning to arouse the fears of Japanese merchants, who dread the competition from Germany, particularly of machinery. For the moment, proposed barter arrangements between Manchukuo and Germany are at a standstill, owing to Japanese opposition.

Sungari Patrol Boats Being Built at Harbin

Work on two Manchukuo river patrol gunboats, the *Shuntien* and the *Yannin*, is in full swing at the Harima shipbuilding yards on the Sungari River—following a ceremony held June 1 under the direction of General Chang Ching-hui, head of the Manchukuo department of military affairs.

Manchukuo Troops to Receive Better Pay

The Manchukuo Department of National Defense plans to increase the pay of its soldiers so that it will compare equitably with that of civil servants. At present a private receives from 9 to 10 dollars a month, which is disproportionately low as compared with the salaries of civilian officials. The Department is asking for an increased appropriation of $17,397,308—a total of $64,729,115.

Overseas Ministry Opposes Half Million Bonus for S.M.R. Officials

The Ministry for Overseas Affairs, which supervises the South Manchuria Railway Company, is dissatisfied with the action of the company in deciding to set aside Yen 500,000 from its last year's profits of Yen $3,000,000 for a bonus for 14 directors and auditors. The sum may be cut by the Ministry to Yen 400,000, the *Kokumin* says.

The Ministerial Assembly of the Manchukuo Government May 25 discussed the budget for the Second Year of Kangte, the respective demands for which are :—

Ordinary budget	Yen 148,295,932
Extraordinary budget.....	125,210,090
Total	273,506,027

The above figure shows an excess of Yen 100,000,000 over the annual revenue which, in total, is Yen 177,571,577.

The yield of Manchurian beans for the season just closed fell 1,450,000 tons short of the estimated yield of 9,000,000 tons, the total being only 7,550,000 tons.

The Manchukuo Department of Industry is planning to open trade offices at Osaka, Shanghai and Hamburg during this year.

A Russian woman, Mrs. N. Shoumiloffsky, as the result of a dispute over a cow, was beaten by a "Manchukuo" policeman at Harbin May 20, with resulting injuries that required her to be taken to hospital.

Japanese Ruthlessly Enforce Confiscation of Private Arms

Travellers recently arriving in Peiping from South Manchuria reported that Japanese troops along the Mukden-Shanhaikuan Railway zone had started an extensive campaign against the villagers and inhabitants of the 20 villages situated in Chinhsi (near Chinchow), who have risen up to resist the order for the confiscation of private arms. The campaign, according to the *Asiatic News Agency*, is assuming a serious nature, wholesale massacre and destruction of whole villages being reported daily, while women and children are fleeing in most pitiful condition.

Japanese Photograph Soviet Border---Russians Fire

Soviet-Japanese relations were once more strained last week as the result of alleged systematic firing of the Soviet troops on Manchukuo shipping using the Amur River—which constitutes a frontier line. The Soviet version of the incidents is that on May 27, the frontier guards noticed a steamer flying the Manchukuo flag and proceeding upstream at the distance of 6 meters from the Soviet shore. After two warning shots fired by the frontier guards, the steamer moved away from the Soviet shore and took the direction towards the town Sakhalian. On May 28, a steamer flying the Manchukuo flag and towing a barge entered the estuary of Zeya River—a river in Soviet territory—and advanced one kilometer upstream, keeping the distance of 30-35 meters from the shore. Using a photo camera installed on the captain's bridge, photos of Soviet shores were taken incessantly. The frontier guards took measures to stop the steamer, by firing two shots in the air. Without taking notice of the guards' warning the steamer continued her course along the Soviet rhores. Then the guards fired one shot at the steamer, which immediately changed her course and entered the Amur, stopping near Sakhalian.

The Soviet Government answered a Japanese protest against the shooting by a strict warning that Manchukuo boats must immediately cease the continued surveillance of Soviet shores or take the consequences. The warning was delivered to the Japanese diplomatic agent in Harbin some time last week but official announcement of the note was made June 3. It was issued in response to Japan's protest against the action of the Soviet guards in firing upon the Manchukuo vessel which, it is claimed, resulted in two casualties. The Soviet Government contended that the guards did not fire directly at the ship but only fired warning shots over the smoke-stacks. Even these went unheeded, it was claimed. The note declared that the two casualties aboard the Manchukuo steamer *Tieben*, which the Japanese attributed to the Soviet firng, were the result of an attack by bandits firing from the Manchukuo shore—an incident quite separate from the warning shots fired by the Soviet guards.

Soviets Order Chinese on Border to Evacuate

It was officially announced in Manchukuo quarters in Harbin June 15 that six Soviet artillerymen crossed the frontier and ordered the residents of Tungtaishen, a Manchukuo township south of Tungning, on the eastern border of the new State, to evacuate. The inhabitants are reported to have been told that they would be driven out by means of military force if they failed to comply with the demand. The report of this incident by the time it reached London had been enlarged upon, so that London newspapers reported that Soviet troops had crossed the frontier and were penetrating Manchuria—reports which were described in Moscow as "pure inventions".

Japanese Complain of Provocative Actions by Soviets

The Tokyo Foreign Office May 26 charged Soviet officials in Siberia with assuming an unfair, indifferent and, at times, provocative attitude towards Japan and Japanese subjects in Soviet territory, Such unfriendly attitude became evident, according to the Japanese, some two or three months ago when transit visaes were refused to Japanese applying for them at Harbin. For no apparent reason, a Foreign Office spokesman stated, the Soviet authorities in the Far East had brought heavy pressure upon members of

he Japanese Consulate at Blagoveschensk and Habarovsk through a complete change in their attitude towards, and treatment of, Japanese subjects. Where once it was a simple matter to obtain transit visaes for travel through Russia to any European country, there had been several cases in the last two months in which visaes had been refused, he said.

Soviets Rapidly Develop Gold Mining Industry

The gold mining industry of the Soviet Union increased production during 1933 by 42.4 per cent, as compared with 1932. The goldfields of the Urals have fulfilled in 4½ months (1½ months ahead of time) their production plan for the first half of this year, and even exceeded it by 6 per cent. New rich gold sands have been found in the Urals.

Japanese Say Soviets Will Remove Blucher

Japanese press agencies continue to intimate that the Soviets contemplate the removal of Blucher as commander-in-chief of the Red Army in the Far East, allegedly for his outspokenness towards Japan, incidentally appointing a new man in his place, a man of quiter disposition.

B. C. C. Strike at Pootung Leads to Pitched Battle

The strike at the British Cigarette Company's No. 2 factory at Pootung still continues. The management has taken on a number of Russian employees and on the morning of June 4 an attempt was made to send 1200 men (mostly Chinese) from the Shanghai side to replace the strikers, but they were prevented from landing at Pootung by the strikers, who were armed with iron bars. In the ensuing melee four Russians and four Chinese were injured. At the Thorburn Road factory, 200 of the 2750 workers failed to attend the same morning, with a number of others late. Some 70 of the 550 workers in the printing department at 1018 Whashing Road failed to appear. It is believed that they were intimidated by strikers from the Pootung factory.

Strikes occurred during the week also at two large hire car establishments in Shanghai—the Taylor Garage and the Johnson Garage. The Taylor garage kept up a service with the help of Russian drivers, and when some of the Chinese office staff went on strike out of sympathy with the drivers, Russians were also employed to do clerical work. The strike at the Johnson garage was of short duration and was settled by the mediation of the Bureau of Social Affairs. The Russian newspapers in Shanghai hailed the strike of the Chinese at the Taylor Garoge as an opportunity for unemployed Russians to secure work.

Manchukuo Authorities Intervene in Strike at Liaoyang

Mediation by Manchukuo authorities led to the settlement on May 28 of a strike involving 340 workers of the Liaoyang plant of the British American Tobacco Company. The strike which at one time threatened to spread to the B.A.T. plants in Mukden and Yingkou and to other factories in Liaoyang, was a local disturbance, having no connection with the strike of the workers of the British Cigarette Company in Shanghai, B.C.C. officials in Mukden stated.

Cigarette Smoking Declines in Kwangtung Province

Cigarette smoking has been on a steady decrease in Canton and other Kwangtung cities, according to official statistics recently published. It is revealed that the consumption of cigarettes has dropped from 6,000 cases (300,000,000 cigarattes) to 4,000 cases, which is the lowest mark in the last few years. The sale of cigarettes in all interior towns in Kwangtung province has considerably dwindled, Chinese reports state.

French Political Party Attacks Free-Masons in Paris

The Republican Union Party, influential political group, led by M. Louis Main, member of the Doumergue Consolidation Cabinet, severely attacked the activities of French Freemasons, according to a German *Trans-Ocean* telegram from Paris on June 3. Marin demanded the suppression and dissolution of Freemasonry Lodges in France, charging that they "labor for the advantage of a clique to the detriment of general interests and are besmirched with many scandals and political errors." He also demanded a vote of confidence in the Doumergue government, reduction in parliamentary mandates and a firm stand on the Versailles Treaty on the ground that territorial revision would lead to war.

Hopei Salt Revenue Declines as a Result of Smuggling

The smuggling of salt into Hopei province from outside the Great Wall has greatly affected the salt revenue of the Changlu Salt District. Under protection of the Japanese, unscrupulous Chinese traders have been secretly transporting salt from Yingkow, southern Liaoning, into Tsunhwa, Tsienan, Chihsien and Miyun in the "demilitarized zone" through the various passes of the Great Wall. As a result, the Changlu Salt District has sustained a loss of revenue amounting to $300,000, as compared with the receipts of the preceding month.

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China's Imports of Cigarettes Decreasing, Leaf Tobaccco Increasing

According to a letter received this week from a member of the Nanking Finance Ministry, China's imports of manufactured cigarettes is declining while the imports of leaf tobacco are increasing. The statement referred to an editorial dealing with the strike in the plant of the British Cigarette Company which appeared in *The Review* on June 2. The statement in our correspondent's letter follows:

"The importation of cigarettes has declined from some 160,000 cases in 1929 to 5,000 cases in 1933. This is due in considerable measure, I suppose, to the manufacture in this country of certain popular B.A.T. brands of cigarettes which were formerly produced in the United States and/or Great Britain. Furthermore, leaf tobacco imports, as you are no doubt aware, come almost entirely by direct shipment from the United States. These imports naturally increased with the transfer of manufacture to China, although they have been lower in the past two years, during which apparently a larger proportion of domestic made cigarettes has been made from Chinese-grown tobacco. However, imports during the current year are again increasing."

According to the April report of the Customs administration, China imported during that month 38,008 parcels of cigarettes (each containing 500), of which 21,433 came from England and 12,509 from the United States. During eleven months of last year China imported 1,328,614 parcels of 500 cigarettes each, of which 805,502 came from England, and 164,749 from the United States. The value of imported cigarettes for the same period was G. U. 2,837,441 while the value of leaf tobacco imported directly from the United States in the period was G.U. 15,379,917. In *The Review's* statement it was indicated that a considerable portion of the American leaf tobacco was shipped to Great Britain where it was manufactured into cigarettes and then shipped to China. The customs figures as well as the statement from our correspondent indicate that the leaf tobacco imported directly from the United States exceeds the imports of cigarettes which are manufactured from American leaf in Great Britain.

British Cotton Operative Instructors Sent to Shanghai

Twelve cotton operatives, including a married woman and two girls, are being sent by the British Calico Printers' Association to the new cotton mill now being built in Shanghai. Their principial work is to instruct Chinese work people. The men have agreed to stay in China for five years and the women for eighteen months. They will sail from London on June 8. The Association according to a *Rengo* message from London, states that the scheme has been formulated partly to combat Japanese competition. The new mill will produce cloth for printing works which have hitherto obtained their supplies from Japanese mills, which are subject to periodical boycotts.

Dr. C. T. Wang Advises Filipinos to Arm

"With the Philippines declared an independent nation she is necessitated to arm herself consequently for national defence against possible invaders," Dr. C. T. Wang, President of the Chinese Amateur Athletic Federation, said in an interview, given to a reporter of the *Philippines Herald* May 9. He said, "as soon as the Philippine Islands become an independent state she must see to it that her armament is adequate. After she has gained her independence, she may be able to stand on her own feet economically but without solid arms she would not be able to defend herself against foreign invasion."

Milton J. Helmick, New U. S. Court Judge, Arrives in Shanghai

Milton J. Helmick, recently appointed Judge for the U. S. Court for China, arrived in Shanghai June 4 by the Dollar liner *President Hoover*. He was accompanied by his wife. Quarters for Mr. and Mrs. Helmick are being prepared in the U. S. Consular building. Meanwhile they are living at the Cathay Hotel. A reception was given in honor of the new Judge by the American Chamber of Commerce at the Columbia Country Club June 7. Sixty-seven civil actions, 12 of them divorce cases, await the Judge's adjudication. There are no criminal actions pending.

Food Prices Cheaper, but Rents Dearer, as Compared with 1926

The National Tariff Commissionion has issued statistics on the cost of living in Shanghai which show that in April this year as compared with 1926 as a basis, the cost of food was about 25 per cent lower and clothing 17 per cent lower; but house rents were 10 per cent above the 1926 level.

Chinese Silk Factories in Shanghai Resume Work

The *Sin Wen Pao* says the Chinese silk factories in Shanghai, which have remained closed for several months as a result of the business depression, will soon resume work. These factories are now purchasing cocoons from Chekiang and as soon as they have completed the purchase the factories will start working again.

Japanese May Start Rayon Industry in Shanghai

The Kanegafuchi Spinning Company has decided do establish a laboratory rayon factory in the compound of the Shanghai Silk Company, its subsidiary in China. The Japanese papers press says that should the Company decide to start the manufacture in China on an industrial basis, its effect not only on importers but also on the rayon industry in Japan will be great.

Storm Kills Forty Students Near Nanchang

A gale swept over Kaotangtsun Village, a point about seven miles from Nanchang, and destroyed a number of buildings June 1. The Kwangnin Primary School was completely destroyed and the roof was carried away by the storm and and fell at a point ten miles from the school. When the building collapsed forty students were killed instantly and about fifty were seriously injured.

University Post-Graduate Schools to Be Established

Plans of the Ministry of Education for the establishment of post-graduate schools in connection with existing universities have taken definite shape with the promulgation of a set of Provisional Regulations by the Ministry. The regulations provide among other things that pending the promulgation of the Regulations governing Academic Degrees, the Post-Graduate course shall not be for less than two years, at the end of which examinations are to be given to the students.

Premier Mussolini Dines at Chinese Legation in Rome

Premier Mussolini dined for the first time at the Chinese Legation in Rome June 1. He wore for the occasion the insignia of the Order of Jade, first class, which was bestowed upon him in March. Gen. Liu Wen-tao, the Chinese envoy, toasted Il Duce as the "greatest personality for centuries." Mussolini in reply paid reverence to China's 2,000 years of civilization.

Censorship to Be Established for Magazines in Shanghai

An Examination Committee for Publications will shortly be established in Shanghai by the Central Party Publicity Committee, according to notifications issued to the various Provincial and City Party Headquarters. All articles for publication in magazines or other journals must be subject to prior examination by the Publicity Committee, the notification states.

China Protests Restrictive Actions of Netherlands Indies

The Central Government is stated by *Kuo Min* to be concerned over the attempt of the Colonial authorities of the Netherlands Indies to abolish the Chinese consulates there in order to suppress the patriotic movements of overseas Chinese there. Besides lodging a strong protect with W. J. R. Thorbecke, the Netherlands Minister to China, through the Ministry of Foreign Affairs, the Executive Yuan has instructed Wunsz King, Chinese Minister at The Hague, to make representations with the Netherlands Government against the action of the Colonial authorities.

Deficiency in China's Budget of About One Hundred Millions

According to information from the Auditing Bureau, the deficiency in the national budget for the present fiscal year amounts to about $100,000,000. The total expenditure in the present fiscal year is $918,685,457, while the net revenue is only $815,915,000. Out of the total state revenue, about $450,000,000 goes to military expenses.

Chinese Government Takes Over Cable Lines

The Great Eastern and the Great Northern cable lines between Shanghai and Taku were taken over June 4 by the Chinese Government. The cable service between Shanghai, Chefoo and Tientsin has been resumed.

Soviets Fly 550 Planes in May Day Demonstration

A feature of the Soviet Government's display of military power in Red Square, Moscow on May Day (May 1) was an air display, in which about 550 planes swooped down in formations, barely clearing the Imperial double eagles which are still on the top of the Kremlin spires bordering the square. The planes included 142 four-engined and 20 two-engined bombers and many interceptors, scouts, and observation planes.

Paul Codos and Maurice Rossi, daring French aviators, were awarded the 25,000 franc Academy of Sports prize for 1933, at Paris May 31 for their world record for distance flying in a straight line made on their non-stop flight last year from New York to Rayak, Syria.

Mayor La Guardia of New York gave a reception May 29 in honor of Paul Codos and Maurice Rossi, French airmen, to mark the success of their recent Paris-New York flight, the second in the history of aviation. President Roosevelt received them at Washington May 30. They are now making a good-will tour of Mexico, the United States and Canada.

Gen. Wong Kong-yue Impressed by British Aircraft

Gen. Wong Kong-yue, head of the Chinese mission which has gone to England to study the latest developments in the field of aviation, in an interview in London June 1, said he had seen nothing which had impressed him more than the general efficiency of British flying schools and the perfection of British aircraft. Gen. Wong asserted that it was not his business to place orders, but to make recommendations to the Canton Government, which was anxious to develop the building of aircraft locally. It was not impossible, he continued, that it would build British aircraft in Canton.

General Mao Pang-chu, Vice-Principal of the Hangchow Flying School, will be sent abroad in July by the Central Government to study aeronautical progress in foreign countries. He will be away seven months, travelling first to Europe and later to America.

New Airdrome Being Built at Chengchow

Work on the construction of a new airdrome, which occupies an area of 800 square metres, has been started at Chengchow. The District Government has despatched Wan Yu-heng to supervise the work, while surveyors have been provided by the Title-Deeds Bureau to assist in the survey of the land. The airdrome is to be completed in six months.

A demonstration on aerial defence was held at Kaifeng, May 30 under the auspices of the Honan Provincial Government. The Provincial Air force was divided into two groups, one serving as the "invader" and the other the "defender". As soon as an "enemy" plane was sighted at Lanfeng, east of the city, a telephone alarm was immediately given to the military authorities by soldiers at Lanfeng. Fierce "fighting" then ensued over the city. Bombs were dropped by the invaders while anti-aircraft guns and machine-guns mounted at strategic points were brought into play. The "enemy" was finally driven off.

Expert Chinese Aviator Killed in Plane Crash

Hu Cha-mei, a skilled Chinese pilot trained at the U.S. Army School at Kelly Field, while flying his plane at the Central Aviation Acadmey at Hangchow June 4, collided with another plane and was instantly killed in the ensuing crash. Both planes were fast types, cruising around 150 miles an hour. Hu, an instructor at the Academy, in the second plane, drifted safely to earth in a parachute.

An American instructor, Edward Wingerter, suffered injuries when landing a Fleet training plane on the field at Hangchow June 2.

Two persons were killed May 31 when a French air mail plane struck a wireless mast at the Croydon airdrome and crashed.

Reduced Summer Fares on Hankow Air Line

Reduced summer fares for air travelling on the Shanghai-Hankow Air Line will be introduced from June 15. The present rates for air-mail and passenger services, according to a report from the the China National Aviation Corporation, will be effective for a period of three months.

Active preparations for the resumption of air-mail and passenger services on the Sinkiang section of the Shanghai-Sinkiang-Berlin Airway have been revived following the receipt of a telegram from General Sheng Shih-tsai, Defence Commissioner for the Sinkiang Border, agreeing to cooperate. Aerial traffic on the section was suspended last year on account of civil warfare in Sinkiang province.

Japanese Navy Extends Air Field

The Japanese Navy is expanding its air field at Kasumigaseki to 10,400,000 square yards. The area includes both land and sea space for fliers. Felling of trees is now under way and the work is to be completed by November. The *Rengo* news agency says the Imperial Nautical Association has embarked on a program encouraging various cities to establish their own flying fields, with the ultimate object of having 300 such grounds in Japan.

In the United States Court for China

In re.	Cause No. 3692
Estate	Estate No. 980
of	NOTICE
EDWARD H. DUNNING	Filed at Shanghai, China,
Deceased	June 6 1934
	William T. Collins, Clerk.

Pursuant to an Order of said Court, notice is hereby given to all persons having claims against the estate of EDWARD H. DUNNING, deceased, to present the same with vouchers to the undersigned on or before December 8 1934, and all persons owing debts to said deceased are hereby notified to make payments of the same in due course to the undersigned.

STIRLING FESSENDEN,
Municipal Building,
Shanghai.

Shanghai, China,
June 6, 1934.

Who's Who in China
(with Supplement)

The standard edition of *Who's Who in China*, published in 1931, has now been brought up to date through the publication of a 200-page supplement. The two books contain the pictures and biographical sketches of the leading men and women of affairs, in government service, business and the professions.

It's the only work of the kind in the English language, is fully indexed in both English and Chinese and most of the sketches contain the latest addresses in addition to information pertaining to date and place of birth, education, careers, etc.

No business office, home, school or public library is complete without *Who's Who in China* giving complete information about the leading men and women of affairs in the Chinese Republic.

If you already have the standard edition published in 1931, order the Supplement only. If not order both books. The prices in Chinese silver or U. S. currency, including postage are as follows:

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The China Weekly Review
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Shanghai.

Railway Products Exhibition Being Held at Peiping

The Third Railways Products Exhibition, now being held in Peiping under the auspices of t e Ministry of Railways, will be continued until June 20. Huang Ching-shu has given the *Review* a few details of the Exhibition. A temporary market, where articles on display can be purchased, has been established. This market is divided into about 400 small sections, all located beside the halls. Among the factories which have sent products for display and for sale at the exhibition, Shanghai ranks first. Tientsin and Peiping also have sent a great variety of goods. Represented in the exhibition are most of the big government-owned railway lines in the country, including the Peiping-Liaoning, Taoching, Canton-Hankow, Peiping-Hankow, Peiping-Suiyuan, Tientsin-Pukow, Lunghai, Nanking-Shanghai, Shanghai-Hangchow-Ningpo, Hangchow-Kiangshan and Kiaochow-Tsinan Railways. Each railway is assigned with a hall in the temple to show the goods it has brought. On a race track temporarily erected behind the halls a number of the Mongolian ponies, considered as the best products of the Peiping-Suiyuan Railway, are exhibited and tried every afternoon. These ponies were brought to Peiping through the suggestion of General Fu Tso-yi, Chairman of the Suiyuan Provincial Governement.

Issue of £1,500,000 Loan for Canton-Hankow Railway

To facilitate the completion of the Canton-Hankow Railway, the Government June 1 floated a six per cent Sterling Loan to the amount of £1,500,000, which will be secured under a special arrangement with the Board of Trustees for the Administration of the British Boxer Indemnity Refund. According to the Regulations which were enacted the loan will bear interest at 6 per cent per annum, and will be issued at 96. Interest will be payable semi-annually on January 1 and July 1.

T. H. Wang, an engineer employed on the Kiachow-Tientsin Railway, delivered an address recently before the Tsinan Rotary Club in which he gave details of how the line had been improved since it was turned over to the Chinese Government by the Japanese—who got possession of it during the war on Germany in 1914.

T. V. Soong proceeded to Nanking during the week and submitted a report on the results of his investigation tour to the Northwest to the National Government. He also attended the meeting of the Standing Committee of the National Economic Council.

British Woollen Yarn Mill Being Erected in Shanghai

The British woollen yarn firm Patons and Baldwins Ltd. is erecting a large factory for woollen knitting yarns in the Yangtsepoo district in Shanghai. The boiler, which arrived from England last week, is believed to be the largest ever landed here. This British firm has yarn mills situated in England, Canada and Australia. It has been long prominent in the China trade.

A recent Nanking message stated that an agreement for a loan of £200,000 for the institution of a long-distance telephone system linking up the nine provinces of Kiangsu, Chekiang, Anhwei, Kiangsi, Hupeh, Hunan, Honan, Hopei and Shantung will shortly be signed by representatives of the Ministry of Communications and the Board of Trustees of the British Boxer Indemnity Refund.

Kwangtung Province to Build Huge Steel Plant

Bids for the construction of a complete steel plant to cos between U. S. $5,000,000 and U. S. $10,000,000 for the Kwang tung provincial government are now being received, and the actual construction of the plant is expected to follow shortly. The Arthur G. McKee Engineering Company, of Cleveland, Ohio, is interested in the project. William A. Haven, vice-president of said company, is now in China. He was in charge of the design of the Magnitogorsk steel plant in Russia. Mr. Haven in a recent interview said the economic possibilities of the Kwangtung project are quite bright, it being feasible to make steels comparing with imported products at a cost considerably below imported iron and steel. Outstanding ore deposits are located at Wan Fu and Chi Kam and have an estimated reserve of 32,000,000 tons.

China to Develop Oil Industry

In view of the growing demand for petroleum and gasoline as a result of the development of the highway communications and aerial transportation in the country, the National Economic Council, besides mapping out plans for the opening of oil wells, is cooperating with the Peiping Geological Survey in the study of suitable motor fuels. A sum of $100,000 is to be allotted for research, of which $60,000 will be devoted to oil distillation processes and $40,000 for experiments in the use of differet kinds of fuel and their adaptation to various types of engines.

Shanghai Bank Extends Credit to Farmers

The Shanghai Commercial and Savings Bank has decided to set aside $3,000,000 for the next season for extending credit to the farmers in the country. So far the Bank has achieved good results from the new enterprise. Hitherto the bank has invested in Government bonds, but they have now decided to invest their money in other directions.

China Development Finance Corporation Holds First Meeting

The first meeting of the shareholders of the China Development Finance Corporation, founded by the principal Chinese banking institutions and prominent individuals, was held in Shanghai June 2. The meeting was presided over by Li Shih-tseng, and attended by a total of 98 shareholders representing 96,700 shares of the Corporation. Mao Chen-chu, representative of the Municipal Bureau of Social Affairs for Greater Shanghai. was among those present. After the meeting was called to order by the Chairman, a brief report on the preparations for the establishment of the Corporation was made by Yao Yung-li, legal adviser. He said that the Corporation was founded with a view to assisting and collaborating in the financial rehabilitation of the country as well as in the work of national reconstruction. The petition for registration of the Corporation with the Government, he continued, was filed on April 18, and approved by the Bureau of Social Affairs for Greater Shanghai on April 24. On May 28, the approval of the Ministry of Finance was also received.

The corporation has a capital of $10,000,000 which capital has been fully subscribed through the medium of the following banks and individuals:—Banks: Central Bank of China, Bank of China, Bank of Communications, Kincheng Banking Corporation, China and South Sea Bank, Shanghai Commercial Bank, National Commercial Bank, Industrial Bank of China, Young Bros. Bank, Land Bank of China, Commercial Bank of China, Continental Bank of China, Kiangsu and Chekiang Bank, Ningpo Commercial Bank, Tunglai Bank, Manufacturers' Bank of China, China State Bank. Individuals: Dr. H. H. Kung, T. V. Soong, Chang Kai-ngau, Li Min, K. P. Chen, Tsuyee Pei, Chang We Yu, Zee Pu Sun.

The following boards of directors and supervisors were elected: Board of Directors of Twenty-one: H. H. Kung, T. V. Soong, Singloh Hsu, Tsu-yee Pei, Chen Kwang-fu, (K. P. Chen), Chang Kia-ngau, Li Ming, Hu Pi-kiang, T. L. Soong, Chien Yung-ming, Tang Shou-min, Yeh Fu-hsiao, Tao Chien-yen, Sun Heng-fu, Chou Tso-min, Hsieh Tso-chieh, Yang Teng-fu, Liu Mei-chih, Hsu Ku-ting, Li Shih-tseng and Hsi Te-mou; Board of Supervisors of seven: Yeh Tso-tang, Chang Ching-kiang, Chu Chi-kang, Hsu Pu-sun, Chang Wei-ju, Soong Ka-an, Wang Po-yuan.

At a meeting of the board of directors June 3, Dr. H. H. Kung was made chairman of the board of directors and T. L. Soong, manager of China Manufacturers Bank, was made managing director.

Dr. H. H. Kung Reports on National Financial Conference

Dr. H. H. Kung, at the invitation of Chairman Lin Sen of the National Government, gave a full report on the National Financial Conference at the National Government Auditorium in Nanking June 3. Dr. Kung said that though the conference lasted only seven days, altogether 127 proposals were carefully examined and amended by four committees and presented before the Conference for passage. A total of 137 delegates attended the Conference, 40 of whom were delegates from all the provinces and Municipalities, including Sikong, Szechuen and Kweichow. 25 others represented the various Central Government Ministries and Departments. In addition, there were 27 well-known economic and financial experts oft he country. The remaining 47 delegates consisted mostly of chiefs of departments and bureaux of the Finance Ministry, many of whom are stationed in far-away border provinces.

One of the brightest spots of the Conference, Dr. Kung said, was the fact that delegates expressed their views frankly and fought hard on many proposals. This, he pointed out, deviated from the habitual practice of many previous conferences of reaching agreement in appearance without obtaining agreement in fact. Dr. Kung reiterated that the aim of the Conference was rural rehabilitation, trade recovery and encouragement of productive enterprises.

Dr. Kung in an address at the Memorial Service stressed the fact that the present rural distress is not necessarily caused by crop failures. On the contrary many provinces had in 1933 the record harvest for many years. Lack of adequate transportation facilities and unequal distribution, Dr. Kung remarked, must be counted among the really underlying causes unfavorable to the rural situation. The recent National Financial Conference attempted to remedy the tax situation in order to lighten the burdens of the farmers. In addition, distribution of farm products through improvement of transportation and control of their prices were suggested as measures in aiding the farmers.

Unauthorized Foreign Loans Strictly Forbidden

The National Government, in a Circular Order, May 31, strictly re-affirmed the prohibition against unauthorized foreign loans by any Government organ under any pretext whatsoever. The order is based upon a recent resolution of the Central Political Council. The Ministry of Foreign Affairs is instructed to bring the said Order to the attention of the various Foreign Powers.

Who's Who in China

Chen Yen-chiung, Railway official; born at Fan-yu, Kwangtung, 1895; secretary to the Provincial Department of Education of Kwangtung; director of general affairs department of the Canton Mint: director of general affairs department of the Canton-Kowloon Railway Administration; secretary to the Ministry of Communications; counsellor to the Ministry of Finance; director of general affairs department of the Ministry of Railways; president of the administration board of the Tientsin - Pukow Railway; counsellor to the Ministry of Railways; counsellor to the Provisional Headquarters of the President of the Military Affairs Commission at Nanchang; now, managing - director of the Peiping-Hankow Railway; address: Peiping-Hankow Railway Administration, Hankow.

Chen Yen-chiung

陳延烟字地球

陳延烟字地球，年三十九歲，廣東番禺人，曾任廣東教育廳秘書，廣東造幣廠總務處長，廣九鐵路管理局總務處長，交通部秘書，財政部參事，鐵道部總務司長，津浦路管理委員會委員長，東北鐵路研究委員會委員，鐵道部顧問，軍事委員長南昌行營參議，現任平漢鐵路管理局局長。

Kwangtung Leads in Road Construction in China

According to a statement issued by the Road Construction Commission, there are altogether 79,473,510 miles of motor car highways in China to-day and 11,955,172 miles of roads are still under construction. Kwangtung heads the list in having the best roads in the country and Kiangsu comes second.

According to a Lanchow message, the Kansu Provincial Government has approved the plans of its Department of Reconstruction for the building of municipal roads in Lanchow city. Three main avenues will be opened; the one connecting the Government House with the Sian-Lanchow Highway outside the city will be built first. The road is to be 16 meters wide. The total cost is estimated at $104,000.

Trial runs on the newly-completed inter-provincial highway connecting Kiangshan, in western Chekiang, with Pucheng, in northern Fukien, were conducted June 1. Omnibus service on the road will be inaugurated on June 7.

Traffic on the Suiyuan-Sinkiang Highway, which has been suspended since the outbreak of hostilities in Sinkiang, was resumed May 29. Four motor cars took part in the first westward trip carrying with them consignment of goods and mails.

Surveys on the projected Sian-Lanchow (Kansu) Highway having been completed and work has been started. A group of engineers headed by Liu Ju-sung, Chief Engineer, and Cheng Cheng Sheng-pai, director of the preparatory committee for the North-Western Highway Bureau, are directing building operations.

In order to make arrangements for rural rehabilitation, Max Brauer, rural expert attached to the National Economic Council, and Lin Chin-chih, another specialist, have proceeded to eastern Shensi to inspect the cooperative enterprises in the rural districts.

Pursuant to a recommendation of Dr. Lo Wen-kan, Minister of Justice, measures are being jointly devised by the Ministries of Interior, Justice and Industries for the employment of prisoners as laborers to reclaim waste land.

Shen Lai-chiu, technical expert attached to the National Economic Council, and W. Jaenicke, League Advisor to the N. E. C., arrived at Tsinan May 30 to investigate administrative and financial conditions in Shantung province.

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THE WORLD'S MOST FAMOUS

BLOOD AND NERVE TONIC

Men and Events

The Bethel Mission, located at 639 Arsenal Road, Nantao, is holding a summer Bible Conference from July 4 to July 14.

Wedgwood Benn, formerly Secretary of State for India, who is making a tour of China, arrived in Peiping June 2 from Hankow.

Li Lung-chung, pilot of the Customs cruiser, *Fu Shan*, was shot dead June 3 in a battle with pirates off the southeastern coast of Fukien.

Hsiao Tung-chih, director of the *Central News Agency*, is making a tour of inspection of the work of the branches of the agency in North China.

S. G. Kirkland, representative of the Corbin Lock Company, accompanied by Mrs. Kirkland, departed this week on a business trip to the United States.

F. J. Raven, head of the Raven Trust Company and other interests in Shanghai, is planning to depart on June 15 on a vacation trip to the United States.

Fea Kuo-hsi, a Chinese lawyer, was convicted of fraud in the Nantao Court June 2 by presiding Judge Liu, sitting in full court and was sentenced to a six months' jail term.

The National Committee of the Y. M. C. A. of China is conducting a campaign for funds. They seek contributions of Ch. $34,860 out of a total budget of $108,000.

Mei Lang-fang, China's foremost actor, has received an invitation from the Soviet State Theatre to give a series of performances in Moscow some time this autumn.

According to statistics made public at Nanking, June 3 there are 260,637 camels in China, distributed at different points in Mongolia, Ninghsia, Suiyuan, Chahar, Sinkiang and Chinghai.

Following a number of other suicides in Hongkong lately, Mrs. Florence Hodges, the wife of an employee of the Naval Yard, was found hanging dead in her home in Naval Terrace, May 31.

Monsignor Mario Zanin, the new Apostolic Delegate to China, arrived in Peiping June 2 from Tientsin. He was welcomed at the station by over 2,000 representatives of various Catholic organizations.

A running battle took place May 29 just outside the Woosung Harbor between a number of pirate ships and the patrol boats of the Kiangsu water police. Three of the pirate boats were captured.

Lt. Com. T. G. W. Settle, U. S. N., who achieved fame by his ascent of 11.6 miles into the stratosphere, arrived in Shanghai May 29. He has been transferred to the U. S. S. *Palos* stationed at Nanking.

Col. N. W. B. B. Thoms, until recently Commandant of the Shanghai Volunteer Corps, was awarded the O. B. E. (Order of the British Empire) on the occasion of the 69th birthday on June 4 of King George V of England.

The American Asiatic Trading Co. are plaintiffs in the Chinese Court in the French Concession against Yang Zoong-mei, for selling imitation "Camel" combs, made in Germany and registered with the Bureau of Trade Marks.

Pembroke Stephens, Berlin correspondent of the London *Daily Express*, who was arrested May 31 for the second time, was served with an expulsion order. The Germans charged that he reported German affairs in a misleading manner.

Douglas Jenkins, American consul-general in Hongkong, has been promoted to the position of U. S. consul-general in Berlin. Mr. Jenkins was acting consul-general at Shanghai in 1930-31, at the time E. S. Cunningham went home on leave.

A memorial service was held at the Sun Yat-sen Mausoleum near Nanking in commemoration of the fifth anniversary of the State Burial of Dr. Sun Yat-sen. The service was presided over by the late Leader's son, Sun Fo, President of the Legislative Yuan.

Dr. Robert E. Lewis, for several years connected with the National government in an advisory capacity, delivered an address dealing with the situation in China, on May 9 before a meeting of Y.M.C.A. secretaries of southern California, the meeting being held in Los Angeles.

T. V. Starr, president of the American Asiatic Underwriters, departed from Shanghai on the s.s. *Empress of Japan* June 5 on a business trip to the United States. He will continue on to Europe and make a trip around the world, returning to Shanghai in about three or four months.

In consequence of the scandal involving the alleged theft of treasures of the Peiping Palace Museum, the Executive Yuan has, in accordance with a recent decision, resuscitated the Central Committee for the Preservation of Ancient Relics, which was first established in 1932 though it has since ceased to function.

According to figures obtained from the Chinese Maritime Customs, China imported $1,500,000 worth of perfumes, powder and lipsticks last year. Shanghai heads the list in consuming the major part of these luxury supplies. During the first four months of this year China imported $527,870 worth of the such supplies.

In commemoration of the 10th anniversary of the Central Military Academy, the members of the faculty and graduates of the Academy have decided to erect a memorial pagoda, dedicated to General Chiang Kai-shek. The pagoda will be 10 stories high.

August 27 has been officially designated by the Central Executive Committee as the day for commemorating the birthday anniversary of Confucius, China's great sage. Confucius was born on the 27th day of the eighth moon of the 21st Year of Emperor Ling in the Chou Dynasty 551 B.C.

The Shanghai Municipal Council's loan for $7,000,000 was oversubscribed within 15 minutes May 31. The loan is for 10 to 30 years. It was issued at 102½ with interest at 5 per cent. The bonds will specify the loan as being in "Chinese standard silver dollars," without defining what they are.

Chwang Han-tsang, a wealthy merchant residing at 21 Love Lane, was arrested by Settlement Police June 2 upon the request of the Public Safety Bureau. Chwang, who is one of the proprietors of the "New World" amusement center, is alleged to have made his fortune by dealing in narcotics.

A warning has been issued by the Chekiang Provincial Buddhist Association to Buddhist organizations throughout the country against attending the Pacific Buddhist Youth Conference to be held in Japan. Any monks or priests who dare to do so will be considered as "traitors" to the Party and the State, the message stated.

Madame Wang Ching-wei has secured contributions totalling over $10,000 for the construction of more than 100 model dwelling-houses in Hsiakwan near Nanking for the accomodation of the poor. Detailed plans for carrying out the project are being considered in conjunction with the authorities of the Nanking Municipal Government.

At the annual conference of the Rotary International Association for Great Britain and Ireland at Douglas, Isle of Man, one of the speakers was W. G. Wilson, of Foochow who said that in the Far East, which he described as a storm centre of the world, the organization was doing all it could to promote international good-will.

Ting Ling, well-known Chinese woman writer, who disappeared in Shanghai a year ago and was alleged to have been killed, has returned to her native home in Hunan, according to a report current in Changshan. The report states that Miss Ting was escorted home by several friends and experienced no difficulties in her journey.

Work on the repair and strengthening of the embankment of the Yellow River has been started and is scheduled to be completed before the beginning of the annual rise of the River this year. To finance the work, a sum of $300,000 has been appropriated by the Hopei Provincial Government to the Yellow River Engineering Works Bureau.

The death occurred in Shanghai on May 25, at the age of 50, of the wife of S. U. Zau, former Vice-Minister of Industry, and now the Director of the Chekiang Wine and Tabacco Tax Collectorate. Mrs. Zau is survived by her husband, seven sons, five daughters and seven sisters. The eldest son is T. C. Chao, Chief Secretary of the Shanghai Office of the Ministry of Foreign Affairs.

The Council of the International Labor Office in Geneva June 1 heard the preliminary report on the mission undertaken in China and Japan by M. Maurette, Vice-Director of the Office. Mr. Yoshisaka, the Japanese representative, congratulated the official for the excellent way in which he had accomplished his mission and eulogized M. Maurette's impartiality.

John Townsend, a young American civil engineer lying in the Country Hospital, recovering from infantile paralysis, with which he was stricken some two months ago, has received a personal letter from President Roosevelt expressing hopes for his rapid recovery. President Roosevelt, was himself a victim of infantile paralysis, and takes great interest in all persons similarly affected.

C. H. Lowe, well-known Chinese writer and authority on labor problems, will join the China International Famine Relief Commission on June 1, 1934, to direct its publicity work, according to an announcement by R. R. Service, head of the Shanghai branch of the Commission. Mr. Lowe is an experienced social worker, having served as industrial secretary of the Y.M.C.A. National Committee of China for the last six years.

A strong protest against the murder of a Chinese student, named Yeh Mu-hua, by several Japanese students of the Nagasaki Commercial College, has been lodged with the Japanese authorities by Liu Ju-hsiang, Acting Consul at Nagasaki. According to a report from Mr. Liu to the Ministry of Foreign Affairs, he has demanded the apprehension and punishment of the culprits and compensation for the family of the deceased.

Chin Tzu-yin, Managing-Director of the *Kung Yen Pao*, a newspaper at Hsuchow, was arrested last week and the newspaper office sealed up by order of Wang Kung-yu, District Magistrate. An article criticizing the civil administration is said to be the reason for the action taken by the magistrate. The said newspaper has appealed to the press throughout the country, for aid in safeguarding the freedom of speech.

The annual general meeting of the Shanghai Association of the Institution of Civil Engineers was held at the Shanghai Club June 2. The following were elected to constitute the committee for the coming session; Chairman, Dr. H. Chatley; vice-chairmen, C. D. Pearson and I. Tuxford; members of committee, B. T. B., Boothby, S. E. Faber, J. W. Chun, J. B. Watson, F. J. Hookham, and H. Stringer, secretary and treasurer.

The Farmers and Merchants Bank, organized by the Ministry of Industries, will be officially opened in Shanghai on July 1 with offices at 515 Ningpo Road. Chen Kung-po, Minister of Industry, who is now touring the South Sea Islands studying economic conditions of the overseas Chinese communities there, is expected to arrive back at Shanghai in the middle of this month. He will personally preside at the opening ceremony of the Bank.

The Soviets report that rich manganese deposits have been found in the Urals, where the reserves of 1.5 million tons of ore has been established, of which 900,000 tons located in one single field. The Japanese report the discovery of a rich nickel ore bed claimed to be capable of yielding a daily output of 50 tons for over three hundred years in the north-western part of Kyoto Prefecture. Both there products are indispensable in the manufacture of war material.

The proprietors of the Sun Ya Restaurant on Nanking Road, the Yangtsze Hotel and Ballroom at 287 Yunnan Road, the Tsen Woo Lodging House on Foochow Road and the Tien Zen Teashop on Thibet Road, were charged at the first Special District Court June 2 with a breach of their license conditions, by permitting gambling with slot machines to be carried on at their premises. Judge Sung dismissed the four with a caution, ordering them at the same time to remove the slot machines.

Mark J. Ginsbourg of Shanghai, student in the School of Journalism, Columbia University, New York, was named as an alternate winner of a traveling scholarship amounting to U. S. $1,500. The award was announced in connection with the annual award of the Pulitzer prizes early in May. Harry Carr of the *Los Angeles Times* also received honorable mention for a series of articles dealing with conditions in the Far East, which Mr. Carr wrote while on a tour of this part of the world two years ago.

THROUGH TRAFFIC ARRANGEMENT WITH "MANCHUKUO" MAY FURTHER ESTRANGE NANKING-CANTON RELATIONS

(*Continued from Page 60*)

Dr. T. T. Li, Director of Intelligence and Publicity Department of the Ministry of Foreign Affairs, is now in Peiping, according to Chekiai. Interviewed on June 3, Dr. Li declared that his visit is solely for the purpose of inspecting conditions in North China and he has no official mission to fulfil. It is learned that Dr. Li wil receive foreign correspondents in Peiping on June 6 and return to the Capital on June 8.

General Chiang Returning to Nanking Shortly

General Chiang Kai-shek, President of the Military Affairs Commission, is scheduled to return to Nanking for a visit in the middle of the present month, according to a *Chekiai* report from Nanking on June 4. The purpose of General Chiang's forthcoming visit, the report states, is to confer with the Government leaders on the various State problems. It is understood that he will also attend and preside at the ceremony in commemoration of the tenth anniversary of the establishment of the Central Military Academy in Nanking, of which he is president.

General Han Fu-chu, Chairman of Shantung Provincial Government, arrived at Nanking from Tsinan June 3. He called on Lin Sen, Chairman of the National Government and Wang Ching-wei, President of the Executive Yuan, on June 4. General Han submitted to both of the Government leaders a detailed report on the existing political and military conditions in Shantung province. At noon, General Han was the guest of honor at a joint reception given by the Military Affairs Commission, Ministry of War, the Inspectorate-General of Military Training and the General Staff Department at the International Club in Nanking. General Han left Nanking for Nanchang by gunboat on June 6 to interview General Chiang Kai-shek, President of the Military Affairs Commission.

General Chu Shao-liang, Chairman of Shensi Provincial Government and concurrently Director of the Lanchow Pacification Headquarters, arrived at Nanking June 3 from Kiangsi. He came to Shanghai on June 4.

Marshal Feng Yu-hsiang, having completed his pleasure trip to east Shantung Coast cities, returned to his resort at Mount Taishan May 30.

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New Books of Interest in the Far East

The Ordeal of Mexico

Peace by Revolution: an Interpretation of Mexico, by Frank Tannenbaum, illustrated by Miguel Covarrubias; published by Columbia University Press, New York City, U.S.A.

Dedicated to Diego Rivera "who, more than any one else, has revealed to the world the profound dignity of the Mexican people," this volume is alike an interesting, important and sympathetic study of Mexico and its people. In fact, this reviewer is unaware of any other book excepting Carlton Beals' biography of Diaz (which he reviewed in these columns a year or so ago) that even approaches Dr. Tannenbaum's work in analysis of a land that is not only one of the most interesting on earth, but also a very strategic area in the American scheme of things.

Dr. Tannenbaum, who is a distinguished sociologist, sketches Mexico from the very earliest times down to the present day, and especially noteworthy is his discussion of the rural life of the Mexican people who are not, as many suppose, primarily Spanish, but instead are chiefly Indian or *mestizo* (Indian-Spanish mixtures). Large areas of the country are pure Indian and except in the very few large cities, Indian blood is everywhere predominant. Nor must the Mexican Indian be confused with those north of the Rio Grande; the Red Men of the United States and Canada were for the most part no farther advanced in culture before the coming of the White Man than what is usually described as barbarism, but in Mexico, Central America and South America an exceedingly high order of civilization existed,—a civilization that was, in fact, fully equal if not superior to that of the Spanish conquerors in all respects except the development of lethal weapons.

Excellent though Dr. Tannenbaum's study is, he sets somewhat too much store on the *laws* which the Mexican revolution wrested both from the native feudal barons (including the Catholic Church) and the American imperialists. Indeed, much was accomplished, particularly in 1926 and 1927, in breaking the power of the Church, but the administration of Calles, under the astute diplomatic guidance of Morrow, the American ambassador, was, in the opinion of this reviewer, a distinct setback for the revolution, although Dr. Tannenbaum appears to regard Calles as, on the whole, a revolutionary patriot.

Certainly, the revolution had the peculiar outcome of outlawing property *de jure* although not *de facto*. "Property in fee simple has ceased to exist in law, so far as Mexico is concerned, though it may and can exist in fact, providing the legislative powers concede the special conditions under which such control may be exercised." Further, Mexico has the most advanced labor code in the world outside the Soviet Union, and which was adopted prior to the Bolshevik revolution. But, as Dr. Tannenbaum rather gingerly puts it, "it is no exaggeration to say that the Constitution as a whole has no general application." There has been some land re-distribution, but "there is no doubt that fear of American intervention has prevented even an attempt at general confiscation of the large estates." Labor has not obtained very many benefits from its beautiful paper code. And since 1926 the Church has succeeded in regaining some lost ground.

However, there is one intriguing, albeit somewhat abstract, result of the revolution: a Mexican revolutionary today can be almost as radical as a Bolshevik and still be fighting on the side of law and order as solemnly set forth in a Constitution that was duly adopted and sealed and sworn according to the most punctilious parliamentary traditions. Nor is revolution dead in Mexico, although it is now in state of suspended animation.

Much of Dr. Tannenbaum's book is the result of personal observations in widespread travels over the Mexican hinterland. Especially moving is the inscription he saw carved with a machete on a garden post in Cuernavaca: "*Rebels of the South; it is better to die on your feet than to live on your knees.*"

A finer slogan than that has never come out of all the revolutionary struggles of mankind. It was dated, Dr. Tannenbaum records, April 11, 1919, the day after Zapata, perhaps the most admirable and heroic of all Mexican revolutionists, had been assassinated.

The drawings of Senyor Covarrubias add much to Dr. Tannenbaum's volume. The reviewer's only objection is that there are entirely too few of them, for second only to Rivera, Covarrubias reveals not only the "profound dignity," but also the grandeur, of the Mexican people.

W. B.

Opposite Views on China

The Case for China, by H. C. Thomson; George Allen and Unwin, Ltd., London, 1933. 332 *pages with index.*

Dangerous Thoughts on the Orient, by F. R. Eldridge; D. Appleton Century Company, Inc., New York, 1933. 232 *pages with index.*

These two books give exactly opposite views concerning China and her affairs at the present time.

Mr. Thomson, a Briton who has been a journalist in the Near and Far East for some years and who also saw the Boer War as well as the Allied operations in China against the Boxers, has written several volumes. As a trained observer his statements and conclusions regarding the situation of China demand our attention. Mr. Eldridge, an American who has spent years in the Orient, both in government service and in business, is also one who should know his subject.

Mr. Thomson writes in a spirit of sympathy with China, her rulers, so handicapped by uneducated masses, and her people so imposed upon by other races. His book chiefly concerns the last forty years, including the sufferings of China under the Boxers, the stories of the territory taken from her by other nations before and since 1900, and the present aggressive attitude of Japan. The author sees China treated on all sides with contumely and able to find no strong friend to assist her against the encroachments of Japan. He thinks that "the undoubted right of the Chinese to boycott certainly ought not to be interfered with." He sees China invaded in the north by Japan and pressed upon by France at the south. As a help against Japan he thinks the League of Nations could still accomplish much by wise co-operation toward peace, while America could boycott Japanese silk. In the south Great Britain should build a railway from Burma into Yunnan as an off-set to the French Yunnan-Indo-China line. The book, after summing up all that China has suffered at the hands of Japan, including a well-written account of the Japanese attack on Shanghai early in 1932, ends with the following sentences: "China asks that the League and the Powers shall intervene on her behalf as Great Britain intervened in the Great War on behalf of Belgium. The case for China is stronger by far than was the case for Belgium."

The book by Mr. Eldridge is written with the idea that Japan is the gentleman of the Orient, full of honor and valor, and especially eager to do well by all and to find an economic outlet for her growing millions. Many of his statements are mis-leading. One is the following:—"The intervention of Soviet Russia (in China) has by no means lessened. If anything, it has become more intensified." Not one word can we find in this volume as to any contructive effort or achievement of the Nationalist Government in China. The murder of Chang Tso-ling, the occupation of Manchuria, the Shanghai outrage of 1932 are all passed over with no aspersions on the Japanese. Indeed, regarding the last-named incident, the impression is given that the Japanese were asked by the other Nationals at Shanghai to act for them in occupying Chapei. Nothing whatever is said of wanton destruction, danger to the foreign concessions or the tremendous loss of civilian lives. Japan is upheld as the savior of Western civilization.

These books furnish an interesting contrast, showing how divergent are the foreign impressions of Far Eastern problems. Both are slightly overdone. In Mr. Thomson's book we feel certain phases of friction have been glossed over; in Mr. Eldridge's book such brushings over fact by a film of fiction are even more patent. Both books have some annoying typographical errors, as when in the Thomson book the recent Chinese Minister of Finance is called "T.Y.", instead of "T.V.", Soong. For statistical figures upon Chinese affairs Mr. Eldridge cites the investigations of a Japanese college though he never writes of it as being a Japanese institution and uses its Chinese name. At the present time one could hardly expect Japanese statistics about China to be anything but anti-Chinese-government. Mr. Thomson weakens his book by his plea for British penetration into Yunnan, Mr. Eldridge his by a chapter on drama and poetry in Japan, which seems to have been written chiefly to show that the author has written Japanese songs and has sung them at festive occasions in the land of the cherry-blossom. Both books picture phases and portions of reality: neither gives the whole scene.

May 4, 1934. G. B. S.

Mission Investigations in China

China, Vol. V of Supplementary Series of Re-Thinking Missions; Orville A. Petty, editor; Harper and Brothers, New York, 1933. 72 pages, with glossary and index.

During our China residence, now more than a quarter of a century, we have often noted the fact that in valuating both oral and written opinion about Oriental matters one should concern himself with the status and personal bias of speaker or writer. No matter how skilful a transient observer may be there are always those residents of the country who take exception to valuations of "outsiders" when placed on the activities or achievements of "old-timers."

This book is one of the results of the Fact-Finding Research Staff of the Re-Thinking Missions investigation. It is the outcome of the visit of this staff to China three years ago. Although this volume on China is so exhaustive and entirely the work of those fitted to observe and record, we well know there are few pages where criticisms cannot be made. Some will tell us that even cleverly-arranged statistics make the poorest of bases for a valuation of spiritual endeavor, that they reduce the efforts of Christianity to the level of secular enterprise. Then in regard to the quotations from people consulted there will be those, who, seeing facts attributed to them stated in cold print, feel they could not have given utterance

to the statements reported. Again there are chance and perhaps unwise bits of information often unwittingly dropped by the old-resident, but eagerly taken up and emphasized by the alien investigator as of greater importance than the facts warrant. There are facts and judgments given by people opposed to methods used, which perchance have succeeded better than any favored by the opposer, but which are underestimated by those unfriendly to them. Everything must go back in the final issue to the personal equation of varying powers, both of observation and judgment.

In short, it is impossible to write this kind of a book and have it please every one. No one realizes this more than those who have done their best to make it a true exposition of mission facts in China today. Of the "fact-finders" in this volume we have the work of ten people from abroad, supplemented by that of two American missionaries to China. Several of the ten from abroad have at some time spent some years in China, so the background was not entirely new to them.

The subjects treated in this book cover Major Problems in the Christian Evangelization of China, Rural Conditions and Missionary Work, Industrial Problems, The Church and Its Leadership, Religious Education, Christian Education, Medical Missions, Activities and Interests of Chinese Women, Education for Women, a Study of Missions in Szechwan, a Study of Primary Schools, and a Study of Indigenous Religions. The last two studies are by the two missionaries.

There are many statistics throughout this book, but most of them are given in textual form rather than in tables. There are also many quotations from Christian workers throughout China. The majority of these are from foreigners; some are from Chinese. The bulk of the 725 pages consists of studies of China and its missions as sponsored by English-speaking Protestant workers, arranged in a topical manner. Only one chapter (37 pages) is a study of one particular portion of China. This is the section on Szechwan and is the work of one investigator sent to that distant province which is often neglected by travelers from abroad. We understand that many of the Szechwan missionaries do not like being written up this way by only one man whose mind would supposedly be more easily influenced by chance statements. However, as a whole, we think his contribution to the volume of great interest and value. A few facts are given undue importance, such as the tale of an American missionary with official rank. He left China permanently very soon after receiving his feather, but this is not mentioned in the text.

That portion of the volume on education in all its phases is particularly illuminating. The study on indigenous religions is very well done. Any one who wishes to be informed on missionary work in China and its results as observable today cannot neglect a thorough study of this book.

There are a few minor typographical errors. The glossary should have been larger and therefore more useful but, the index is fairly adequate.

G. B. S.

Shanghai, June 4, 1934.

Biography of Abraham Lincoln

Abraham Lincoln: The Prairie Years, by Carl Sandburg; Blue Ribbon Books. New York. Illustrated. 604 *pages with index.*

This standard biography of Lincoln's early life, taking him only to his arrival in Washington as President, first came out in 1925 and was issued in two volumes. The present condensed one-volume edition makes the book accessible to many who could not own the first editions.

Sandburg's story is intimate and full of detail. He draws a clear picture of Lincoln's birthplace, family, early surroundings, education, and preparation for life as President. The Chinese, who also revere Lincoln, should now be pleased to find this new handy edition of Sandburg's work on sale here at less than four dollars, local currency. This is fine value for one's money and brings the book within the reach of students.

G. B. S.

25 March, 1934.

Recent Pamphlets Received

The Economic Research Bureau of Mitsu Bishi issues a *Monthly Circular* giving statistics of the economic conditions in Japan. The April issue mentions the fact that Japan's iron and steel industry, "maintained a rather high degree of prosperity due the continued busy demand for war material" and for export to Manchuria.

The Czechoslovak Legation in Shanghai is distributing copies of a brochure entitlde "The Problem of Central Europe and the Austrian Question," being the text of a speech delivered by Dr. Edward Benes, Minister of Foreign Affairs, March 21, this year.

The 67th annual report of St. Luke's Hospital for Chinese shows that 1933 was the most busy year in the Hospital's history. In 1933 the Hospital gave 126,476 treatments to out-patients and 55,884 days' care to inpatients. The report has been published in brochure form

The National Committee of the Y.M.C.A. of China has issued a brochure entitled "Cooperation and Reconstruction," in which are described the principal actitivies of the Association.

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October	29, 1927	Vol. XLII	No. 9
May	5, 1928	Vol. XLIV	No. 9

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Shanghai

CUSTOMS NOTIFICATION NO. 1365

The public is hereby notified that in accordance with Government instructions crude rubber produced in Hainan Island will be exempted from export and interport duty on shipment abroad and coastwise respectively as from the 26th May, 1934.

It is to be noted that the exemption refers to raw gutta-percha or india-rubber only and not to manufactured rubber.

H. O. Tong,
Superintendent of Customs.

A. C. E. Braud,
Commissioner of Customs.

CUSTOM HOUSE,
Shanghai, 1st June, 1934.

Complete Text of Dr. L. Rajchman's Report on League Co-operation with China

The report, dated April, 1934 by Dr. L. Rajchman, liaison officer on technical co-operation between the League of Nations and China, was officially issued at Nanking and Geneva, May 10. The report is being published in serial form in the China Weekly Review. The following is the fourth installment.

(Continued from last week)

I have received President Wang's telegram of 17th inst. The so-called agrarian policy of the Red bandits is merely their weapon of war, and nothing else. Young military commanders may at first be lured by the attractive propaganda of the Reds, but on further observation they always come to the conclusion that the so-called land policy of the bandits is sheer robbery. There are still some members of the Party who are aggrieved at the failure of the Government to emulate and enforce such a land policy. Even if the Red bandits had a land policy, it would have to be determined by their political creeds. If we wanted to adopt their policy we would have to discard our Party principles and adopt a new name for our Party like the Fukien insurgents. The land policy of the Red bandits is merely a strategic means, but it is not a political policy. At first the bandits may hold out the redistribution of land as a bait to the peasantry. Later, however, when their object is attained, they will so distribute the land that the more fertile plots will be given to members of their own party (the Communist party), and the rest will be redistributed entirely on the basis of personal likes or dislikes. Moreover, the Red bandits also tolerate the system of vicarious farming, with the result that a new class of landowners soon rises to replace the old, who have been ruthlessly murdered. In order to counteract the tendency on the part of the peasants to save and hoard the fruits of their labour, the Red bandits therefore often carry out their so-callel farm-investigation movement, during which the new landowners are again dubbed "rich or wealthy," and persecuted. When the land was first redistributed, the landowners and their families were often murdered. During the farm-investigation movement the new landowners are subjected to severe persecution and their grains and belongings are taken away from them by force. This is done in order to get rid of personal ownership of land and to prolong the period of "Red pauperism" so as to force the poor to join the ranks of the Red bandits and fight their battles. Such being the strategic tactics of the bandits, many peasants have fallen victims of their cajolery. The consequences of such tactics have been most pathetic and terrible to the peasants, who often leave their farms and later face starvation. To hide their intentions, the Reds have adopted the name of agrarian policy. Their crime is therefore then thousand times more serious than that of those who masqueraded in Europe in the name of Liberty. Is our Party's programme for the equalization of land to be compared to this?

The so-callel agrarian policy is two-sided, dealing, as it does, with firstly the question of redistribution, and secondly the explanation and readjustment of land. There is no want of arable land in this country, which is more than sufficient for distribution among the population. Our land is, however, in urgent need of readjustment. Even in densely populated provinces there are few landowners holding more than several hundred or several thousand mow of land, the majority being small landowners owning about thirty or forty mow. The question of exploitation and readjustment is therefore, in my opinion, more urgent than of relistribution.

As regards the question of redistribution of land, it is the settled policy of the Party to realize the system of equalization of landownership. The ultimate object is to give land to all tillers of the soil. The exploitation and readjustment of the land should be carried out through co-operation and collective cultivation so that rural revival may be realized. It is the settled policy of our Party to oppose class strife. The redistribution of land should thus be achieved by peaceful means, so that all tillers of the soil may gradually be given their share of the land. According to the Regulations, promulgated last year by the Commander-in-Chief's Headquarters for the Honan-Hupeh-Anhwei Bandit-Suppression Forces, governing the readjustment of land, private ownership of land is recognized and protected. It is, however, subject to two restrictions, namely (1) that landowners must give all persons in the village capable of tilling the soil an opportunity to work on their farms, and (2) that the maximum land holdings are to be limited—those holding land of an area in excess of the maximum limit are to be subject to graduated taxes. Revenue derived from these taxes is to be employed for financing agricultural enterprises. In this manner not only will the landowners be induced to invest their capital in other than agricultural enterprises, but those capable of tilling the soil will be given land to cultivate, and bloodshed avoided. In order to insure sufficient land to the peasants, landowners, owner-farmers and peasants are encouraged to form co-operative societies for the exploitation of land. Whenever a piece of land in the village is offered for sale these societies will be given the priority in acquiring such land. This will result in the gradual acquisition by these societies of all farms in the villages. Those who are not capable of tilling the soil will not be made members of the society, while those who are capable in this regard will be given land to cultivate until they choose to quit the society. At the same time, there will be no need for the sale or purchase of land, and all injustices in connection with the redistribution of land will be avoided. The farms acquired by the co-operative society will be distributed to members for cultivation, with ownership, however, remaining in the society. For this privilege members are required to pay to the co-operative society a farm rent which will be used for the improvement of methods of cultivation. The organization of such societies will thus not only facilitate the development and exploitation of the land, but also lead to the gradual elimination of persons who own but do not cultivate the land.

Moreover, the purchase of land by such societies is likely to be effected through loans from banking interests, so that the Government need not either float loans or take forcible measures for the acquisition of the land. The redistribution of the land will also be determined by the societies themselves in accordance with the needs of their members, so that there will be no injustice, which is inevitable in the Soviet system. The exploitation and readjustment of the land may be so effected that co-operation and collective farming may be finally attained.

These plans have been enforced in the various bandit-suppression areas by the Bandit-Suppression Headquarters. Though they are not perfect, yet they are systematically devised and suit the conditions peculiar to the country. At least, they are practicable and may form the agrarian policy of our Party. I have expressed these views on the land problem for the reference of our Party comrades who are interested in the problem. I hope our comrades will not forget the stand of our Party vis-a-vis this particular question, nor allow themselves to be misled by Communist propaganda regarding the so-called agrarian policy. Not only will the success of these plans in the bandit-suppression depend on your efforts, but the future of the State and the Party is also in your hands. Besides despatching this message expressing my view on the land problem, I will continue to report to you on conditions in the bandit-suppression areas at regular intervals.

CHIANG CHUNG-CHENG.

18.—This telegram was followed by careful deliberations of a special committee of the Executive Yuan appointed for the purpose of formulating a comprehensive land policy. In the course of its discussions the Commission heard in evidence Sir Arthur Salter, and Dr. Stampar and Mr. Briand Clausen, of the League. As a result of its conferences the committee reported that, in view of the magnitude of the problem involved and the lack of adequate information, it could not pass beyond the enunciating of principles to the recommendation of concrete measures.

The fourth plenary session of the Central Executive Committee of the Kuomingtang accordingly referred back the matter to the Central Political Council.

The National Government thereupon requested the Minister of the Interior and the Minister of Finance, both of whose departments had begun to make studies of agrarian problems, to co-operate with the National Economic Council for the purpose of forming a commission of three members to make a comprehensive study of the agrarian situation, including all important relevant topics. It was understood that the work was not to be limited to investigation, but that recommendations for reform were to be made and that the work was to be concluded in six months. The National Economic Council, in addition to its studies in Kiangsu and Chekiang, is conducting at present a survey of certain localities in Shensi and Kansu, and also making a study of rural credit. The Advisory Committee of the National Economic Council will designate a technical secretariat, which will be responsible for the evidence to be submitted to the Committee of Three. In the collection and elaboration of the evidence the League experts will also participate.

One of the first studies which will be conducted is of the practicability of land registration. Without some sort of land survey the reform of the land-tax and its conversion into a productive and equitable source of revenue, with all the social and economic benefit which would result from such a measure, can hardly be effected. But the cost of making a survey by the usual methods is prohibitive: a reasonable estimate puts it at $150 millions for the whole of China. The suggestion has, however, lately been made that by using aircraft for the survey the cost might be drastically reduced. The expensive part of land registration is not the discovering of the owners of the various plots of land, but the measuring and delimitation of the holdings. It is claimed that in some regions a good aerial map would give at a glance all the information which is required. The Advisory Committee is therefore arranging for a further study of this suggestion, and of others upon the same lines.

(To be Continued)

New Treaty With Cuba Permits Intervention to Protect Americans

Although the new treaty between the United States and Cuba, which was ratified by the Senate May 31, abrogates the Treaty of May 22, 1903 which embraced the Platt Amendment, the new treaty nevertheless entitles the United States to intervene in Cuba for the protection of American lives and property. It also perpetuates all acts effected in Cuba by the United States during the military occupation of the island up to the establishment of the Cuban Republic, and continues in effect the stipulations agreement under which the United States naval station is established and maintained at Guantanomo.

President Roosevelt in a message on war debts sent to Congress June 1 said the United States would be swayed in its judgment of the debtor countries by the extent to which these nations are diverting their finances to armaments and other unproductive purposes. However, according to the *New York Times*, the President's message leaves everything much as before. The President, the *Times* says, was unable to indicate a single step than might lead out of the muddle of opinion expressed by British press circles in Washington that the President's message would cause a general default on June 15.

Great Britain Decides to Default

Great Britain June 4 notified the United States that neither a token nor part payment would be paid on June 15.

President Reviews U. S. Fleet at New York

Ninety-six U. S. warships were reviewed by President Roosevelt in the Hudson River at New York May 30. Millions of people witnessed the review from excursion boats and other craft, and from the shore. The U. S. S. *Pennsylvania* headed the parade, thundering out the 21-gun presidential salute as it passed near the presidential flagship.

President Roosevelt made a speech at the Gettysburg battlefield May 30 reiterating his New Deal policy and issuing a warning that political animosity and selfish narrow views must be surmounted if progress shall be real.

The U. S. House of Representatives June 1 placed dictatorial powers in the hands the Speaker, Henry T. Rainey, by giving him the right to limit debate on any bill to 40 minutes.

Although the threat of a strike in the U. S. textile industry has been averted, the seamen's strike on the West Coast shows no signs of abating. The radio operators on the Dollar Line threaten to strike unless they are granted a 56-hour week. A strike of the Edison Co. at Toledo was avoided by the employers restoring a 20 percent wage cut.

The strike at the Toledo Auto Lite Co. was ended June 3 with the employees recognizing the employees' union and increasing wages 5 per cent.

Three hundred thousand iron and tin workers threaten to strike on June 15 to enforce demands for the recognition of collective bargaining, a 30-hour week, and a higher minimum wage.

A prolonged drought from the Rockies to the Appalachians was partly broken early in the week by showers here and there. Crops generally have, however, suffered greatly.

The Fletcher-Rayburn Stock Exchange Bill, which has for its object to make it impossible for all time the excessive speculation which caused the crash of 1929 depression, was expected to be signed by President Roosevelt end of this week.

A number of banks in New York have suspended dealings in Shanghai and Hongkong dollars pending the determination of the final provisions of the Silver Bill, which was passed on May 31 by the House of Representatives.

Two Japanese were arrested in New York, May 31, and later released on $250 bail as a result of charges that they were attempting to obtain secret information regarding the United States Fleet. It is alleged they plied a former sailor with liquor and then attempted to question him regarding activities of the American forces afloat in the fleet maneuvers in the Panama Canal Zone and Caribbean area.

After A Meal, How Do You Feel?

Do you feel as though you had over-eaten, even after a light meal? That uncomfortable sensation of being full, means gas in the stomach, the result of imperfect digestion. Flatulence is distressing, often embarrassing, and may cause faintness, dizziness, and griping pains.

To enjoy a good digestion the food tract must be kept free from the accumulation of waste matter and to aid nature in its work there is nothing better than an occasional dose of Pinkettes, the dainty little laxative pills.

For constipation, bilious attacks, liverishness, sick headaches, pimples, boils, bad breath, and piles, Pinkettes are speedily effective.

Pinkettes aid digestion and banish that full feeling after meals. Obtainable at all chemists.

CUSTOMS NOTIFICATION No. 1366

JUNKS: TRADING FROM PLACES ABROAD TO CHINA: PROCEDURE GOVERNING.

With reference to Shanghai Customs Notification No. 1,358 regarding the opening of certain Control Stations in Northern Waters, the public is hereby notified that, in accordance with Government instructions, two stations will be opened at Tungshan (東山) and Dwarf Anchorage (觀音澳) in Fukien Province, respectively, on the 1st July, 1934.

On and after this date junks trading from places abroad to China will be required to conform to the following procedure:—

(i) If from places abroad west of Tungshan for destinations in China north of Tungshan, junks are to report at Tungshan, irrespective of whether they have reported previously at another Customs station or not.

(ii) If from Formosa for destinations in China junks will only be allowed to enter Chinese territorial waters in the vicinity of either Tungshan or Dwarf Anchorage, whichever of the two places is the nearer to their direct courses to destinations or the more convenient in respect of winds and tides, and they are to report to the Customs thereat.

(iii) If from places abroad north of Dwarf Anchorage for destinations in China south of that place, junks are to report at Dwarf Anchorage, irrespective of whether they have previously called at other places at which Customs stations are established or not.

Junks, when reporting to Control Stations, will be required to present to the Station the following papers:—

Certificate of Nationality, issued by the Ministry of Communications;
Junk Licence issued by the Customs;
Pass Book issued by the Customs; and
Manifest.

These papers will be scrutinised by the Station and, if found to be in order, will, with the exception of the Junk Pass Book, be enclosed in a sealed cover addressed to the Customs at destination. In checking the cargo with the Manifest the Customs Station shall be at liberty to tally out the entire cargo of a junk, any expenses incurred in this connection being borne by the junkmaster or owner of the cargo. If all is in order, the Control Station will endorse and seal the Junk's Pass Book and hand it back, together with the sealed cover containing the remainder of her papers, to the junkmaster for delivery to the Customs Station at destination. In the case of junks whose papers are not in order, or whose cargo is found not to be in agreement with the Manifest, the vessel is liable to be detained pending reference to the Amoy Custom House. Junkmasters will be at liberty, if they so desire, to pay duty on their cargo at the Junk Control Stations rather than at the Custom House at place of destination, but such payment will only be permitted when the Station is in possession of satisfactory documentary evidence, e.g. invoices, contracts, etc., of the genuine value of the cargo.

Attention is particularly drawn to the fact that junks found to have passed the Control Station or Station indicated for their routes without reporting to such Stations will *ipso facto* be convicted of smuggling and punished accordingly. Junks which have reported at Control Stations and fail to arrive at their declared destination within a reasonable period of time will also be liable to penalties, action in this connection being taken if necessary against their guarantors, who will be held responsible for payment of duty on the cargo and for any fine inflicted on the junk.

H. O. Tong,
Superintendent of Customs.
A. C. E. Braud,
Commissioner of Customs.

CUSTOM HOUSE,
Shanghai, 4th June, 1934.

Real Estate Review by Realty Investment Co.

The period under review covers two weeks, as no review appeared last week.

The volume of new building compares very well with the month of May of last year. The amount of sales, however, are very few in comparison, altho prices remain very firm. One of the large building operations that is very noticeable is the large triangle made by Avenue Foch, Seymour Road and the extension of Weihaiwei Road. The opening up of Weihaiwei Road from Avenue Foch is going to relieve traffic East and West. In this triangle, plans have been approved for 86 Chinese shops and 28 Chinese Hongs with 5 gate houses. Another permit in this section is on Weihaiwei Road, East of Yates Road, for 4 Chinese shops and 3 Chinese houses. Also off Weihaiwei and Chengtu Roads, a group of 10 Chinese houses will be built. On Sinza Road, West of Medhurst Road, a group of 12 Chinese houses and 5 Chinese shops are under construction.

Of more than ordinary size a permit has been approved for funeral parlors with offices, kitchen and motor room. This will front on Robison Road and go thru to Mapei Road, just West of Gordon Road.

Two other building operations of about the same value are for, first a Foreign residence near the corner of Seymour and Connaught Roads, and the second for 12 Chinese houses on Moulmein Road, South of Weihaiwei Road.

When Baby Cries.

Baby not yet able to talk expresses himself in other ways which the mother must learn to interpret. A healthy child sleeps peacefully, gains steadily in weight and cries only when hungry, uncomfortable or in a temper. A certain amount of crying is good for a young baby as it helps to develop the lungs, but if it is too frequent it is a sign that something is wrong which should be investigated without delay; when satified that the crying is not due to hunger, discomfort or temper, then the most probable cause is that baby is unwell. Warning that something is wrong is generally forthcoming, unusual flusing or pallor of the face, sleeplessness, lack of energy, loss of appetite, peevishness, vomiting, diarrhoea or constipation; when any of these danger signals are apparent, steps must at once be taken to correct the trouble.

One of the surest ways of keeping baby in good health and correcting any symptoms of sickness before they have a chance of growing serious is by administering an occasional dose of Baby's Own Tablets. This ideal medicine for babies and young children is gently laxative thereby preventing the little organs from becoming clogged with waste matter which is one of the chief causes of infantile stomach disorders. The tablets are the prescription of a physician who for many years made a study of children's ailments.

They are pleasant to take and besides being so good for stomach complaints, they allay feverishness and colds, ease the pains of teething, prevent headaches, and expel worms. Obtainable from chemists everywhere. Get a vial of Baby's Own Tablets today and see how baby thrives after a few doses.

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The National City Bank of New York, Rates of Exchange

Shanghai, June 6, 1934

Demand selling rate on America:	U.S.$100=Sh. $ 3.06
Demand buying rate on America:	U.S.$100=Sh. $ 3.03
Demand selling rate on London:	£1 0.0=Sh. $15.48
Demand rate buying on London:	£1.0.0=Sh. $15.30

Latest New York Stock Exchange Quotations

Market—Firm — Business Done 740,000 Shares

June 6, 1934

1933-34 High	1933-34 Low	Div. $ per Sh.	STOCK	Mon. June 4	Tue. June 5
118¾	3	—	Adams Express	7⅝	8
33	11¼	0.60	Alaska Juneau	19⅞	20⅝
160	70¾	6.00	Allied Chemical & Dye	133	135
107¼	19½	4.00	American Can	92½	94⅞
19⅜	5⅞	—	American & Foreign Power	7⅜	8⅛
27¼	3¼	—	American Metal Company	21½	23
153½	10⅜	—	American Smelting	37⅜	38⅜
134⅜	86½	9.00	American Tel. & Tel.	113⅞	115½
94⅜	50⅜	5.00	American Tobacco "B"	70	71¼
43¼	10⅞	1.00	American Waterworks	19⅜	19½
22⅞	5	—	Anaconda Copper	14⅜	14⅝
18⅜	5⅞	—	Atlas Corporation	10½	10⅞
84¼	31	2.00	Auburn Automobiles	34¼	35
37⅜	8¼	—	Baltimore & Ohio	23	23⅜
49½	10⅜	—	Bethlehem Steel	31⅜	32⅝
37⅜	18	1.60	Borden Company	24⅞	25⅜
28½	5½	0.25	Borg Warner	22	23
20⅞	7¼	—	Canadian Pacific Railway	15⅜	15¼
103½	30½	—	Case, J. I.	49⅞	52
47⅞	16⅜	1.40	Chase National Bank	27¼	28¼
52½	14⅞	2.50	Chesapeake Corporation	43⅜	44⅜
59	7⅜	1.00	Chrysler Corporation	39	40
28¼	9	0.50	Columbia Gas & Electric	12½	12⅝
6½	1⅜	—	Commonwealth & Southern	2⅛	2⅛
64¼	31¼	3.00	Consolidated Gas of N. Y.	31⅜	32⅜
22½	4⅞	—	Continental Oil	19½	20⅜
9	2⅜	—	Coty Inc.	5⅛	5⅛
5⅛	1½	—	Curtiss Wright Company	3½	3½
102¾	32¼	*2.00	Du Pont de Nemours	83½	85½
96½	46	3.00	Eastman Kodak	94	95
41⅜	10	—	Electric Bond & Share	14⅜	15
15⅜	3⅛	—	Electric Power & Light	5¼	5⅜
19	12	—	Fox Film "A"	14	14⅞
10¾	2⅞	—	General Aviation	4⅜	4⅜
80¼	10½	0.40	General Electric	19⅜	19⅞
39⅞	21	1.50	General Foods	32⅜	32½
41½	10	*1.00	General Motors	30⅞	31½
49½	13¼	1.00	General Railway Signal	Unq.	33
27⅜	12	1.20	Gold Dust	19¼	20
47½	9¼	—	Goodyear Tire & Rubber	27½	28½
40	6½	—	International Cement	22	22½
46½	12⅜	0.60	International Harvester	31½	33
29	6⅜	—	International Nickel	25¼	25⅞
21⅜	5½	—	International Tel. & Tel.	11⅞	12⅜
65½	21¼	—	Johns Manville	46⅜	45¼
26	7⅜	—	Kennecott	18⅜	19⅜
79⅜	37½	2.40	Lehman Corporation	65⅜	66½
99⅜	40½	*4.00	Liggett & Myers "B"	94	94½
36½	8¼	1.00	Loew's Inc.	31⅜	33
25¼	10⅜	1.20	Lorillard P. (Com.)	17½	17⅞
35⅜	8⅜	—	Montgomery Ward	24½	26
64¼	16⅞	1.00	National City Banks (bid price)	26⅜	27⅜
41⅜	5⅜	—	National Distiller	25	25⅜
58½	14	—	New York Central	28⅞	28⅜
36½	12⅜	80%S	North American	16¼	17¼
96⅜	31½	2.00	Owens Illionois Glass	Unq.	74½
31⅞	15	1.00	Pacific Gas & Electric	16⅞	17¼
6⅜	1⅜	—	Packard Motors	4	3⅞
42½	12⅜	0.50	Pennsylvania Railroad	30⅜	29⅞
6⅜	1¼	—	Pennroad Corporation	2½	2⅝
20⅜	4⅜	—	Phillips Petroleum	18⅜	19
12¼	3	—	Radio Corporation	7¼	7⅜
54¼	26½	3.00	Reynolds Tobacco "B"	43½	44⅜
50⅞	12½	—	Sears Roebuck	39¼	41
19½	6	1.00	Socony-Vacuum Corporation	15¼	15⅜
28	14¼	2.00	Southern California Edison	16⅜	16½
22¼	5¼	—	Standard Gas & Electric	9⅜	10¼
49⅜	22⅜	1.00	Standard Oil Co. of N. J.	42½	43⅛
60⅞	16	3.80	Sterling Products	58⅜	59
9	1¼	—	Studebaker	4⅜	5
30¼	10⅜	1.00	Texas Corporation	23⅞	24⅜
9⅜	2⅜	0.12	Transamerica	6	6¼
51⅞	19⅜	1.00	Union Carbide & Carbon	38⅜	40
133⅞	61¼	6.00	UnionPacific	119⅜	120¼
46⅞	16¼	—	United Aircraft & Trans.	20⅝	21½
14¼	4¼	—	United Corporation	5¼	5⅛
25	14	1.20	United Gas Improvement	15⅜	15⅜
25	2⅜	—	U. S. Rubber	18	19
67¼	23⅜	—	U. S. Steel	39¼	40⅜
51½	21¼	*2.00	Universal Leaf Tobacco	44⅞	Unq.
28⅝	7⅜	—	Vanadium	19⅝	20½
9¼	1	—	Warner Bros. Pictures	5⅞	6
58⅜	19⅜	—	Westinghouse E. & M.	33¼	34⅜
54⅞	25½	2.40	Woolworth	48¼	48⅜
			PREFERREDSTOCKS AND BONDS		
44⅞	7¼	none	American & Foreign Power 7% Pfd.	Unq.	20
58½	23⅜	5.00	Amer. & For. Power 5% debs. of 2030	52⅜	53½
80	35	6.00	American Waterworks $6 preferred	Unq.	Unq.
48	25	5.50	Cities Service Power & Light 5½s/52	43⅛	43⅛
66	25	6.00	Electric Bond & Share $6 preferred	48	48
72⅜	20⅛	4.50	Int. Tel. & Tel. conv. 4½s of 1939	65½	66
65	34	5.00	New England Gas & Electric 5s 1947	55	55
85	35	6.00	Standard Gas & Elec. 6% notes 1935	80	81

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The China Weekly Review

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